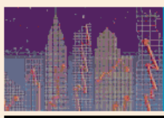
FINANCIAL TIMES

FRIDAY 2 DECEMBER 2022

INTERNATIONAL NEWSPAPER OF THE YEAR

USA $2.50 Canada C$3.00



New York's worsening economic divide
GILLIAN TETT, PAGE 17

India's effort to rival China's Belt and Road
BIG READ, PAGE 15

Blackstone caps outflows from $125bn property fund

- Investors rush for exit as mood dims
- Stakes sold in two Las Vegas casinos

ANTOINE GARA AND SUJEET INDAP
NEW YORK

Blackstone has limited withdrawals from its $125bn real estate investment fund following a surge in redemption requests, as investors clamour to get their hands on cash and concerns grow over the long-term health of the commercial property market.

The private equity group approved only 43 per cent of redemption requests in its Blackstone Real Estate Income Trust fund in November, according to a notice it sent to investors yesterday. Shares in Blackstone fell as much as 8 per cent.

The withdrawal limit underscores the risks that rich individuals have taken by investing in Blackstone's mammoth private real estate fund, which — after accounting for debt — owns $69bn in net assets, spanning logistics facilities, apartment buildings, casinos and medical office parks.

About 70 per cent of redemption requests have come from Asia, according to people familiar with the matter, an outsized share considering non-US investors account for only about 20 per cent of BREIT's total assets.

One partner in the fund told the Financial Times the poor recent performance of Asian markets and economies may have put pressure on investors who now need cash to meet their obligations.

In the US, commercial property is under pressure from rising inflation and interest rates, according to a recent report from the National Association of Realtors. Globally, the mood in property has darkened and some high-profile investors have warned of a lack of finance in parts of the sector.

The surge in redemption requests come as Blackstone announced the sale of its near 50 per cent interest in the MGM Grand Las Vegas and Mandalay Bay Resort casinos in Las Vegas for $1.27bn. Including debt, the deal valued the properties at more than $5bn.

Proceeds from the sale, which was agreed at a premium to the carrying values of the properties, will help with liquidity for BREIT as it meets redemption requests — or will be reinvested in faster-growing property assets, said a person familiar with the matter.

In October, BREIT received redemption requests worth $1.8bn, or about 2.7 per cent of its net asset value, and has already received requests in November and December exceeding the quarterly limit.

It allowed investors to withdraw $1.3bn in November, or just 43 per cent of the redemption requests it received. Blackstone would allow investors to redeem just 0.3 per cent of the fund's net assets this month, it added in the notice.

Private capital managers have turned to retail investors, arguing that rich investors should have the same ability as pension and sovereign wealth funds to diversify away from public markets. Part of the pitch that money managers make is that by giving up some liquidity rights, higher returns can be achieved.

"Our business is built on performance, not fund flows, and performance is rock solid," said Blackstone in a statement sent to the FT that emphasised the fund's concentration in rental housing and logistics in fast-growing areas of the US and its predominantly fixed rate liabilities.

Markets pages 10 & 11

Bonhomie Macron and Biden stand united on Russia but waver over US green subsidies act



Ludovic Marin/AFP

Joe Biden and Emmanuel Macron warmly clasp hands at a welcoming ceremony at the White House on the first day of the French president's state visit to Washington yesterday.

The US president welcomed France as "our oldest ally, our unwavering partner in freedom's cause" in opening remarks at the ceremony.

Pointing to Russia's "brutal war" against Ukraine, he added that the US and France were "once again defending the democratic values and universal human rights [at] the heart of both our nations".

Macron said the two nations needed to become brothers in arms again in the wake of the Russian invasion. "Our new frontiers are there, and it is our shared responsibility to respond to this," he said. However, despite the bonhomie between the two world leaders, Macron criticised Washington over its new climate law that subsidises US companies to the detriment of European industry, warning it risked "fragmenting the west".

There is growing anxiety in Europe over the so-called Inflation Reduction Act that offers $400bn worth of incentives to fund green energy.

EU seeks gas price cap deal page 2
Laws dividing the west page 3

Briefing

▸ **Quinn denies China is behind HSBC break-up calls**
HSBC's chief has denied that Ping An's push to break up the bank is Beijing-led, and said the Chinese insurer's demands are not backed by other big shareholders.— PAGE 6

▸ **Trump tax returns ceded**
Donald Trump's tax returns have been made available to Congress, handing a victory to a Democratic-led panel after a long legal battle with the former president.— PAGE 4

▸ **FTX head denies fraud**
Sam Bankman-Fried, founder of the FTX crypto exchange, said that he "never tried to commit fraud" before the recent collapse of his $32bn empire.— PAGE 8

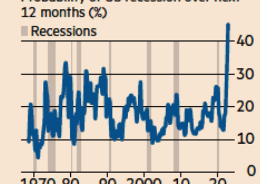
▸ **EU presses Xi on protests**
The European Council's president stressed to China's Xi Jinping the human right to peaceful assembly amid Beijing's crackdown on anti-Covid lockdown protests. — PAGE 4

▸ **Lloyds fire sale revealed**
The bank's pension scheme sold billions of pounds of assets to meet collateral calls during September's crisis, one of the largest known sales by a corporate plan.— PAGE 8

▸ **Credit Suisse cash returns**
Axel Lehmann, chair, said clients had started to return after pulling tens of billions of dollars of assets following a "social media storm" at the start of October.— PAGE 6

Datawatch

Downturn doldrums
Probability of US recession over next 12 months (%)



Sources: Apollo; Federal Reserve Bank of Philadelphia

If the US is pushed into recession next year it will be the most anticipated in history, a survey run by the Philadelphia Federal Reserve Bank says. The 'Anxious Index' is currently at double what it was in anticipation of the 2008 recession.



Apple's supply chain woes laid bare by Chinese curbs

While managers at the world's largest iPhone factory breathed a sigh of relief this week when Chinese authorities in the city of Zhengzhou lifted a five-day lockdown, their woes are far from over. Taiwan's Foxconn, which runs the site, is struggling to staff assembly lines at the peak of Apple's pre-holiday season. The chaos has uncovered weaknesses created by the US giant's reliance on a model that turned it into the most valuable listed group.

Covid revolt ▸ PAGE 9

Ramaphosa's presidency under threat after probe into sofa stuffed with cash

JOSEPH COTTERILL — JOHANNESBURG

Cyril Ramaphosa was under mounting pressure to resign as South Africa's president last night after a parliamentary report concluded that he abused his office in the fallout from the theft of more than $500,000 in cash stuffed inside a sofa on his private game farm.

Ramaphosa would not be "rushed" into a decision and was keeping all options open, his spokesperson said, as delays to a planned address to the nation and a series of consultations within the ruling African National Congress indicated that his presidency was on the line.

Ramaphosa's authority has been left hanging by a thread after a panel found he may have broken an anti-corruption law over the farm robbery scandal and should be probed for impeachment.

He cancelled a planned appearance before the upper house of South Africa's parliament yesterday, adding to the sense of crisis. The rand tumbled against the US dollar and government bonds sold off sharply.

"President Ramaphosa must now resign or face impeachment without further delay," said Herman Mashaba, leader of ActionSA, South Africa's third-biggest opposition party.

John Steenhuisen, leader of the main opposition party Democratic Alliance, said the panel findings were a "seismic shift in South African politics . . . Ramaphosa is not a helpless victim in all this. The collapse of his presidency is entirely his own doing."

"The vultures are circling," said Judith February, executive officer of Freedom Under Law, a legal watchdog.

Ramaphosa, one of South Africa's richest men, has always denied wrongdoing over the robbery at his Phala Phala farm. Ramaphosa told the panel that the money was proceeds from selling buffalo to a Sudanese businessman for $580,000, and that he had reported the theft to his head of presidential security. But the panel said the law required him to report it to the police directly.

The investigation concluded that he failed to properly report the 2020 heist to police and wrongly sought his Namibian counterpart's help in the matter. The panel said: "The president abused his position as head of state to have the matter investigated."

It added there were "a number of important questions relating to this transaction that remain unanswered", such as why the buffalo that were sold remained on Ramaphosa's farm more than two years later and why the money was hidden inside a sofa.

Subscribe In print and online

www.ft.com/subsusa
Tel: 1 800 628 8088
For the latest news go to
www.ft.com

© THE FINANCIAL TIMES LTD 2022

No: 41,187★

Printed in London, Liverpool, Glasgow, Dublin, Frankfurt, Milan, Madrid, New York, Chicago, San Francisco, Tokyo, Hong Kong, Singapore, Seoul, Dubai

6 14919 00001 5 48500>

World Markets

STOCK MARKETS

	Dec 1	Prev	%chg
S&P 500	4071.16	4080.11	-0.22
Nasdaq Composite	11463.17	11468.00	-0.04
Dow Jones Ind	34301.44	34589.77	-0.83
FTSEurofirst 300	1754.46	1741.56	0.74
Euro Stoxx 50	3977.38	3964.72	0.32
FTSE 100	7558.49	7573.05	-0.19
FTSE All-Share	4141.04	4139.65	0.03
CAC 40	6753.97	6738.55	0.23
Xetra Dax	14490.30	14397.04	0.65
Nikkei	28226.08	27968.99	0.92
Hang Seng	18736.44	18597.23	0.75
MSCI World $	2720.89	2663.25	2.16
MSCI EM $	972.29	952.94	2.03
MSCI ACWI $	630.92	617.64	2.15
FT Wilshire 2500	5299.47	5141.03	3.08
FT Wilshire 5000	41380.36	40147.30	3.07

CURRENCIES

Pair	Dec 1	Prev	Pair	Dec 1	Prev
$/€	1.049	1.030	€/$	0.954	0.971
$/£	1.227	1.191	£/$	0.815	0.840
£/€	0.855	0.865	€/£	1.170	1.157
¥/$	135.930	139.540	¥/€	142.543	143.678
¥/£	166.744	166.178	£ index	78.669	79.109
SFr/€	0.985	0.981	SFr/£	1.152	1.135

CRYPTO

	Dec 1	Prev	%chg
Bitcoin ($)	16956.44	17165.03	-1.22
Ethereum	1269.14	1294.48	-1.96

COMMODITIES

	Dec 1	Prev	%chg
Oil WTI $	81.77	78.20	4.57
Oil Brent $	87.76	84.25	4.17
Gold $	1753.50	1752.70	0.05

GOVERNMENT BONDS

Yield (%)	Dec 1	Prev	Chg
US 2 yr	4.28	4.53	-0.25
US 10 yr	3.57	3.77	-0.21
US 30 yr	3.68	3.81	-0.13
UK 2 yr	3.30	3.31	-0.02
UK 10 yr	3.10	3.16	-0.06
UK 30 yr	3.40	3.43	-0.03
JPN 2 yr	-0.03	-0.04	0.00
JPN 10 yr	0.25	0.25	0.00
JPN 30 yr	1.51	1.51	0.00
GER 2 yr	2.01	2.11	-0.10
GER 10 yr	1.81	1.93	-0.12
GER 30 yr	1.71	1.82	-0.10

Prices are latest for edition
Data provided by Morningstar

A Nikkei Company



VISIT…

LANZAROTE Caliente.com

War fallout

Brussels calls for $60 Russian oil price cap

Member states urged to support global ceiling to reduce Kremlin's revenue

SAM FLEMING, ANDY BOUNDS AND HENRY FOY — BRUSSELS
ELENI VARVITSIOTI —ATHENS

Brussels is pushing EU member states to agree to a $60 a barrel ceiling on global purchases of Russian oil in a bid to seal a long-sought deal to curb the Kremlin's revenues from fossil fuel.

But EU diplomats said Warsaw, which is particularly keen to reduce Moscow's income, was the main block in crunch talks ahead of a December 5 deadline, when a ban on Russian seaborne oil shipments into the EU comes into place.

One said that it was "worth fighting for a just cause, a more effective cap and stronger response to Russia than was envisioned originally".

An agreement would pave the way for the implementation by the EU and G7 of the price ceiling — which would apply globally — following months of negotiations over its details. The commission has already dropped its suggested price from as high as $70 to meet Polish demands.

Brussels has also proposed that the ceiling be regularly reviewed to ensure it is "at least 5 per cent" below average market prices for Russian oil, according to people briefed on the matter.

Russia's main export crude, Urals, has fallen to a significant discount to Brent, the world benchmark, after Moscow's invasion of Ukraine led European buyers to turn away. But EU member states are split over how big the discount would actually be, with some countries claiming that the price of Urals has already fallen below $60 a barrel.

Most pricing agencies, which track

'[It is] worth fighting for a more effective cap and stronger response than was envisioned originally'

trades in the market, have quoted a discount for Urals of between $20 and $25 a barrel in recent weeks, though some traders have suggested that oil refineries in India and China have negotiated even cheaper prices. Brent traded at around $85 a barrel yesterday.

The price-capping initiative has been championed by the US, which also wants to avoid a sharp fall in Russian exports that would in turn spark an inflationary rise in crude prices.

Rather than directly affecting EU member states, which will be constrained by the import ban, it is designed to keep oil flowing to countries such as India and China.

It is intended to have global reach because importers seeking insurance cover and shipping services from companies based in G7 and EU countries to transport Russian oil would need to observe the price ceiling.

Member states eager to hit Moscow harder wanted a price level of as little as $30, but EU officials feared that this would prompt Russia to withdraw crude supplies.

Brussels put forward the proposal for a $60 limit yesterday and also agreed to start talks on a ninth package of sanctions on Russia, a longstanding demand from hawkish member states including Poland and the Baltic countries.

Oil and gas exports are likely to account for 42 per cent of Russia's revenues this year, around Rbs11.7tn, the country's finance ministry has said.

According to draft EU legislation enacting the price cap, the allies would conduct their first review in January, with follow-up discussions every two months thereafter. The market price would be calculated with the help of the International Energy Agency.

Additional reporting by David Sheppard

Europe. Moscow ties

EU split on how to counter high energy prices

Bloc leaders prepare to finalise plans aimed at stabilising costs and supplies amid Ukraine war

ALICE HANCOCK AND SAM FLEMING
BRUSSELS
DAVID SHEPPARD — LONDON

The EU's goal since the outbreak of war in Ukraine has been to rapidly reduce its reliance on Russian fossil fuels while keeping a lid on prices, but the results of its efforts have been decidedly mixed.

The bloc has managed to pare back its use of Russian gas and oil more quickly than expected by many officials and analysts, but measures to tackle soaring energy prices have sparked deep splits in EU capitals. A proposal last week for a cap on month-ahead wholesale gas of €275 per megawatt hour was labelled a "joke" by critics who said it would not have tackled this summer's price surge.

As EU leaders prepare for a summit where they will aim to finalise an energy package that stabilises gas prices and supply, what are the key elements of Brussels' wartime energy policy and how successful is it likely to be?

What is the EU doing to wean itself off Russian gas?

In May, the EU unveiled a €210bn plan called REPowerEU that would speed up the rollout of renewable energy, make industry more energy-efficient and increase output of domestic fossil fuels.

There has also been a successful effort to cut gas demand after energy ministers signed a voluntary target in July to reduce consumption by 15 per cent across the bloc. A proposal by Berlin to increase this to 25 per cent has yet to win much support.

Even so, Europe could still face a 30bn cubic-metre shortfall during next summer's key storage refilling period if Russia halts all pipeline deliveries and Chinese demand for liquefied natural gas increases as it lifts more coronavirus restrictions, said the International Energy Agency.

Piped gas from Russia previously accounted for about 40 per cent of the EU's supply but that has dropped to less than 8 per cent.

Where is it sourcing gas from?

EU members have begun replacing the 155 bcm a year of Russian pipeline gas.

Deals with Algeria, Azerbaijan, Egypt and the US have contributed to about 24 bcm more gas from those countries between January and October this year compared with 2021. Germany's LNG deal with Qatar announced on Wednesday will add about 2.7 bcm a year.

The EU aims to end its reliance on Russian fossil fuels by 2027. For now, Moscow's move to halt supplies through the main Nord Stream 1 pipeline has led the bloc to increase shipments of Russian seaborne gas by about 50 per cent.

It has also been negotiating with Norway, now its biggest supplier of piped gas, for more deliveries.

How has the bloc tried to limit prices?

EU ministers are close to agreeing a third emergency package to curb energy costs. Previous measures agreed include two windfall taxes: one targeting renewable suppliers benefiting from selling electricity linked to high gas prices and one on oil and gas producers' profits.

National governments had until December 1 to sign the taxes into law, and should recycle the funds to consumers and businesses. But officials and diplomats from several EU countries have said the tariffs will be complex to collect, and in some member states may not amount to much.

The plan to cap wholesale gas prices in the third package has proved more divisive. Brussels proposed this month an emergency limit that would be triggered should month-ahead prices on the benchmark Dutch TTF futures market exceed €275/MWh for two consecutive weeks and be €58 higher than that of LNG for 10 consecutive days.

Some members say the proposed cap would not have been triggered even when gas prices hit all-time highs in August. Others say that intervening in the market threatens supply, as price controls would damage Europe's attempts to attract imports.

Those that want the cap, such as Italy and Greece, insist they will not approve the third package, which includes coordinating gas purchases across the bloc, unless a price limit is introduced.

A meeting of energy ministers has been called for December 13, while ambassadors will make a first effort to reach a compromise today. But diplomats fear it will be hard to agree a deal.



Making waves: liquefied natural gas carrier Neptune arrives in port at Sassnitz, north Germany, last month
Fabian Bimmer/Reuters

What about Russian oil?

The EU is working with the G7 nations to implement a price ceiling on seaborne Russian oil, permitting crude to continue flowing while pushing down Moscow's revenues. The idea is to bar insurance and other services enabling shipments of Russian crude sold above a certain price. It is an adjustment to earlier EU plans for a phased-in ban on Russian oil shipments, which is to kick in on December 5. Some Russian pipeline crude is exempt owing to fears about energy security in eastern Europe.

The initiative has been pushed by the US, which wants to avoid a sharp fall in Russian exports to avoid steep rises in crude prices. Member states will not be able to buy seaborne Russian oil from

the G7 allies once the

cap as the EU import ban supersedes it, but it is designed to keep oil flowing to countries such as India and China.

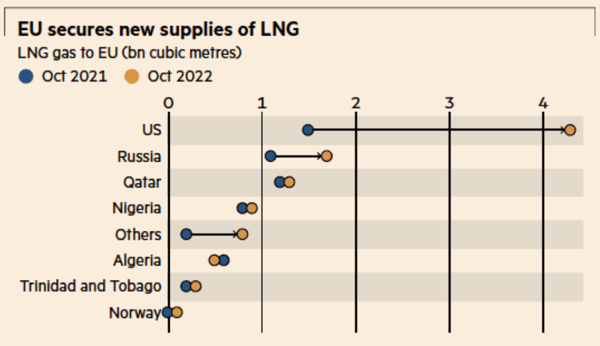
Bringing in the measure will require the G7 allies and EU members to agree. EU capitals were yesterday looking to overcome Polish resistance to a $60 cap. Warsaw wants the ceiling to be lower.

What happens if caps are not effective or agreed?

European industry has warned about production cuts and closures because of high energy bills. Combined with US legislation offering billions of dollars in tax credits and subsidies for green technologies, ministers and executives fear deindustrialisation of the bloc.

Vladimír Dlouhý, president of the Czech chamber of commerce, said policymakers could "cripple industries in Europe" with a mix of high prices, indefinite indecisiveness [and] overall regulation". Several EU leaders have also warned of civil unrest if prices stay high.

See Lex



Supply chains

Bloc moves to exclude banks and funds from rules on sustainability

ALICE HANCOCK — BRUSSELS

EU ministers have backed a carve-out for banks and investment funds from landmark regulation designed to force companies to report on environmental and human rights abuses in their supply chains.

The exemption, pushed by France and approved by ministers yesterday, has prompted harsh criticism from campaigners who say the move will allow large banks and fund managers to continue financing fossil fuel or mining projects without properly scrutinising the environmental damage or social issues they might cause.

If the move is approved following negotiations with the European Parliament next year, it would mark a significant weakening of the EU's efforts to hold companies to account on their sustainability goals and improve the credibility of Brussels' wider environmental and social governance (ESG) agenda.

Anna Cavazzini, a German Green MEP, described the late push to exclude financial institutions as "scandalous and incomprehensible", adding: "The financial sector has an enormous steering effect and the EU should no longer tolerate investments in human rights violations and environmental destruction."

Pascal Durand, a French socialist MEP who spearheaded the original push for the legislation, called it a "major step back".

The EU has tried to be a leader on sustainable finance by introducing reporting standards for companies and a framework for investment known as the taxonomy. Other jurisdictions such as the US and UK are coming up with similar initiatives but, despite moves by the IFRS Foundation accounting standards body, no global scheme to regulate the disclosure of ESG data has been set.

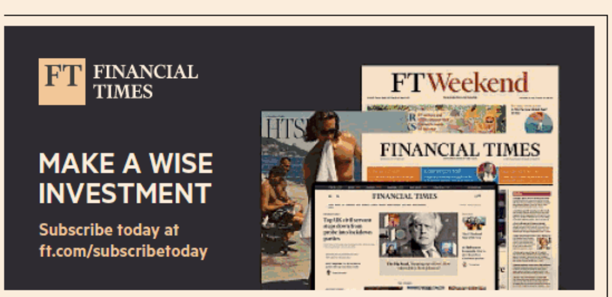
Under the EU's proposed rules, known as the corporate sustainability due diligence directive, companies with more than 500 employees or €150mn in global turnover would be required to identify and prevent or mitigate activities such as child labour, worker exploitation or damage to natural ecosystems in their supply chains. Victims of any damage would be empowered to take legal action if abuses that had not been reported by businesses were uncovered.

But several member states including France, Spain, Italy and Slovakia pushed against the inclusion of the financial sector, arguing that banks do not have supply chains in the same way as companies producing physical goods.

Publicly, Paris has said it backs full inclusion of all companies within the reporting framework. Representatives of the French finance ministry on Wednesday told the Financial Times it was a "misconception" that France had been pushing for such an exemption, saying: "We think that this text has to apply to all sectors whatever."

It added in a separate statement: "The information circulating indicating a request for specific treatment from the banking sector is false."

But four diplomats confirmed to the FT that France had been behind the last-minute effort to have financial institutions excluded as it tries to make Paris a hub for international finance.



FINANCIAL TIMES
330 Hudson Street,
New York, NY 10013

Subscriptions and Customer Service
Tel: +1 800 628 8088
uscirculation@ft.com, www.ft.com/subsusa
Advertising
Tel: +1 917 551 5040
usads@ft.com
Letters to the editor
letters.editor@ft.com
Executive appointments
www.exec-appointments.com

Published by
F.T. Publications Inc.
330 Hudson St, New York,
NY 10013, USA;
Tel: +1 917-551-5000;
Editor: Roula Khalaf

Printed by
Blue Island Newspaper Printing, Harvey, IL
Evergreen Printing Company, Bellmawr, NJ
Bay Area Production Services, Fremont, CA

Published daily except Sundays, New Year's Day, Good Friday, Independence Day, Thanksgiving, the day after Thanksgiving, Christmas Day and the day after Christmas Day.

US subscription rates, 1 year $406. Periodicals postage paid at New York, NY and at additional mailing offices; Post-Master. Send address changes to F.T. Publications Inc., PO Box 469, Newburgh, NY 12551; USPS number, 190640; ISSN# 0884-6782.

© Copyright The Financial Times Limited 2022.
All rights reserved.
Reproduction of the contents of this newspaper in any manner is not permitted without the publisher's prior consent. 'Financial Times' and 'FT' are registered trade marks of The Financial Times Limited. The Financial Times and its journalism are subject to a self-regulation regime under the FT Editorial Code of Practice:
www.ft.com/editorialcode

Reprints are available of any FT article with your company logo or contact details inserted if required (minimum order 100 copies). One-off copyright licences for reproduction of FT articles are also available.
For both services phone +44 20 7873 4816, or alternatively, email syndication@ft.com

World Cup Ghana-Uruguay grudge match shows lure of the villain

SIMON KUPER — DOHA

Those of us who were in the stands in Johannesburg that winter's evening in 2010 can still see the moment before us.

It's the last minute of extra time in the World Cup quarter-final. A Ghanaian header is flying towards Uruguay's goal, destined to be the winning strike that will for the first time put an African team in the last four of a World Cup.

Then Uruguay's young forward Luis Suárez throws up his hands to block it on the goalline, the referee sends him off and awards Ghana a penalty.

Their captain, Stephen Appiah, hands Asamoah Gyan the ball, saying: "Make the whole of Africa proud." That had also been Nelson Mandela's prematch message to Ghana's Black Stars: "We join everybody on the continent and in the diaspora in wishing you success."

But Gyan's penalty pings off the crossbar, and Suarez, *pictured*, erupts with joy on the touchline. Uruguay win the ensuing penalty shootout.

Today the two nations meet again at a World Cup, this time to contest a place in the second round. Ghana probably need only a draw, whereas Uruguay must win, and hope South Korea do not beat Portugal in the other group game.

Suarez, now 35, may play, although he has featured to little effect in Uruguay's first two matches. Spectators will have 2010 in their heads: moments from past games hang over today's fields like a miasma. Suarez's handball lives on because it encapsulates so much in both Uruguayan and African football history.

In World Cups as in plays, the most compelling character is often the villain. For most fans, Suarez hangs in the tournament's all-time rogues' gallery alongside West German keeper Toni Schumacher, whose unpenalised karate kick in 1982 hospitalised Frenchman Patrick Battiston, and Diego Maradona, whose "Hand of God" goal in 1986 helped Argentina beat England. Suarez appears twice in the rogues' gallery: in 2014 he took a bite out of the shoulder of Italy's Giorgio Chiellini.

But to Uruguayans, his handball was heroic. Crowds welcomed him home to Montevideo in 2010, and writer Eduardo Galeano praised his "act of patriotic insanity": "He was expelled but his country wasn't." Suarez even boasted: "I made the best save of the tournament."



In a country of 3.5mn that only impinges on international consciousness during World Cups, players are expected to display an unironic willingness to sacrifice for the shirt. Uruguayans feel they can only beat bigger nations by being harder and craftier. In their view, Suarez did the right thing. Indeed, his teammate Jorge Fucile tried to do it too, but his outstretched arm missed the Ghanaian header.

For Africans, the moment encapsulated their eternal disappointment in World Cups. After Cameroon reached the quarter-finals in 1990, it became a cliché to predict that one day an African team would lift the trophy, but with hindsight that tournament proved the end of the continent's rise, not the start. Senegal's victory over Ecuador on Monday was the first time Africans had beaten South Americans in the tournament since 1990.

Ghana may well defeat an ageing Uruguay side that serves as a bit of a ragged tribute act to 2010. Three Uruguayans who started in Johannesburg — striker Edinson Cavani, keeper Fernando Muslera and Suarez — are in the squad.

But Ghana's defence looks too leaky to reach that still elusive semi-final. Even in their 3-2 victory over South Korea, 15 Korean crosses from open play found a teammate, the highest for any team at a World Cup since statistics became available in 1966, according to data provider Opta. Ghana are lucky to have conceded only five goals in two games.

Black Stars fans hope their thrilling forwards will at least exact revenge on Uruguay. Ghana's president, Nana Akufo-Addo, has warned: "This time the hand of Suarez will not save them."

But footballers do not think like fans. Their obsession is today's performance. Far from wanting to avenge the past, they often have an uneasy relationship with their predecessors. Only one member of Ghana's squad in Qatar, André Ayew, played at the 2010 World Cup, and he missed the Uruguay game through suspension. Still, footballers only play walk-on parts at World Cups. It's fans who give the event its meaning.

Green subsidies

Macron fears US climate law risks dividing the west

French president warns Washington of damage to European industries

LEILA ABBOUD — WASHINGTON

French president Emmanuel Macron has warned that the US risked "fragmenting the west" with a climate law by subsidising American companies to the detriment of European industries.

Macron's criticism on the first day of his state visit to Washington underlines the anxiety in Europe over the so-called Inflation Reduction Act and its $400bn worth of incentives to fund green transition. EU member states have been particularly exercised by subsidies for electric cars manufactured in the US and tax credits to promote industries such as renewable energy and batteries.

While its objectives of helping companies and consumers move to green technologies were laudable, the law would have negative repercussions for Europe by making it less attractive for companies to invest there, Macron said.

"The choices of the past few months, in particular the IRA, are choices that will fragment the west," Macron said at the French embassy in Washington on Wednesday evening. "We need to co-ordinate and re-synchronise our policy agendas."

Earlier that day, at a closed-door lunch held at Congress with executives and lawmakers, Macron called the IRA "super aggressive for our companies", according to a person who attended the event. "Perhaps this law will solve your problems but it will make mine worse," the French president said, adding that many jobs would be destroyed.

The issue is expected to weigh on the discussions between Macron and Joe Biden, who are also due to talk about the war in Ukraine, its economic fallout on Europe and relations with China.

French officials said discussions were under way with their US counterparts about possible remedies that would help avoid distortions in sectors such as electric cars and renewable energy.

One option would be for the US to add the EU to the list of countries whose products could qualify for subsidies, similar to how Mexico and Canada were treated because of existing trade agreements, the officials said. But it has proved difficult to get the US to change its approach given that Congress has already passed the law.

The Biden administration has defended the IRA as necessary to boost the electric cars sector and help fight climate change in the US. It has called on Europe to come up with its own subsidy regime in response.

John Kirby, a spokesman for the National Security Council, said there had already been "very productive discussions" on the IRA and that "the team here is exploring options". He declined to say whether concrete proposals would be made during Macron's visit. The US has a task force with the EU on the matter and it would continue discussions, he said.

Macron has also called on the EU to pass a so-called Buy European Act that would offer similar subsidies to local industries. Other countries such as Germany are less supportive of the idea. EU competition commissioner Margrethe Vestager expressed caution about it yesterday because it would take time to implement.

"Since we need to take action within a reasonable timeframe, we try to see how we can best use the tools that we have," she said at a press conference in Paris.

Additional reporting by Sarah White and Javier Espinoza



Gujarat

Voting under way in vital state for Modi

High stakes: Prime Minister Narendra Modi campaigns in Ahmedabad yesterday
Sam Panthaky/AFP/Getty Images

Voting began yesterday in a high-stakes poll in India's western Gujarat state, where results will provide an early indication of Narendra Modi's chances of success in the 2024 general election.

Modi comes from Gujarat and ran the state for more than a decade during a controversial tenure from 2001 that was marked by deadly communal riots. He was appointed prime minister in 2014 after his Bharatiya Janata party won the first of its two terms in national office.

The BJP, which controls 111 of the 182 seats in Gujarat's legislative assembly, has been campaigning on its economic record with the slogan "We have made this Gujarat". Voting takes place in two rounds, yesterday and Sunday.

"There is no alternative for the BJP but to form the next government because Modi is looking at 2024," said Hari Desai, a professor at the Institute of Journalism and Communications in Ahmedabad, the state's largest city. "If he loses Gujarat, he loses the national leadership."

Modi and his chief ally, Amit Shah, the powerful home minister, have drawn on familiar nationalist rhetoric during campaign appearances in front of large crowds in recent days. "The BJP needs your blessing!" Shah shouted on Monday evening to a crowd in Ahmedabad that chanted *vande mataram*, or "hail the motherland".

At another rally this week, Modi urged voters to "take a pledge for a developed and prosperous Gujurat and a developed and prosperous India".

"There's just one word, one chant here, and what's that?" Modi asked, to which the crowd replied: "Once more a BJP government!"

> 'There is no alternative for the BJP but to form the next government because Modi is looking at 2024'

Modi's party will compete against the Indian National Congress party, which dominated the country's politics for more than four decades after independence.

The Aam Aadmi party, another opposition party that controls local governments in the capital region of Delhi and the western state of Punjab, is also campaigning heavily in Gujarat.

The BJP has lost ground to opposition parties in successive elections in Gujarat but is expected to hold on to power on the strength of its local party machine and support from both grassroots voters and wealthy allies, including businessmen from the diaspora.

During Modi's term in national office, Gujarat has managed to attract high-profile investments, including one of India's first semiconductor fabrication plants. It will be built by Taiwanese contract supplier Foxconn and Indian mining and manufacturing group Vedanta.

Ahmedabad has a new metro system, and India's first bullet train rail line linking the city with Mumbai is under construction. In July, Modi inaugurated India's first international bullion exchange at Gift City, a financial services hub.

This week, however, rising prices, alleged corruption and a failure to generate enough new jobs were in the spotlight in the state, a preview of the issues likely to dominate the national election in 2024.

John Reed and Jyotsna Singh, Ahmedabad

FTWeekend Festival

Our U.S. Edition is back!



20 May 2023
Join us in Washington, D.C. & Online

The ideas festival of our age returns to Washington, D.C. on 20 May 2023. Don't miss out on this stimulating day where the FTWeekend paper comes to life, with everything from debates and tastings to live performances.

Book now:
ft.com/festival-us

Foundation partner
FORD FOUNDATION

Lockdowns

Beijing shows signs of easing Covid stance

Top enforcer says virus in 'new stage' as restrictions in Guangzhou are relaxed

THOMAS HALE — SHANGHAI
EDWARD WHITE — SEOUL
WILLIAM LANGLEY
AND ELEANOR OLCOTT — HONG KONG

China's top zero-Covid enforcer says the fight against the virus has entered a "new stage" while state media have played down its risks, bolstering expectations that Beijing is easing its anti-pandemic approach just days after a wave of unrest.

Vice-premier Sun Chunlan said on Wednesday that the Omicron variant was becoming "less pathogenic" and pointed to higher vaccination rates, even as China recorded tens of thousands of new cases from its biggest outbreak. Sun did not mention the term "dynamic zero-Covid", a policy that has for nearly three years sought to eliminate all infections through mass testing, quarantine and lockdowns.

While the government has stopped short of any explicit policy change, Sun's comments — which were followed by softer language about the virus in state media yesterday — build on a decision to ease lockdown restrictions in parts of the southern city of Guangzhou despite high case numbers.

The relaxation in Guangzhou contrasts sharply with the example of Shanghai this spring, when Sun visited while the city was subjected to a two-month lockdown that emphasised the government's commitment to eliminate the virus.

Analysts pointed to her comments and the Guangzhou decision as evidence of a reopening, which in the absence of any clear government plan has been the subject of market speculation for months. Ting Lu, chief China economist at Nomura, who has closely tracked the citywide lockdowns, said they may "point to the beginning of the end of zero-Covid".

In Beijing, which posted record infections yesterday, anecdotal reports emerged of officials allowing home isolation rather than centralised quarantine for close contacts of those with Covid. In Guangzhou, there were also reports of home quarantine for those with the virus.

The zero-Covid policy requires central isolation not only for positive cases but also their close contacts. The latter rose to more than 1mn last month amid the record outbreak, stretching capacity to implement the rules.

Popular resistance against restrictions has gathered pace in recent days after a wave of public vigils and demonstrations following the deaths of 10 people in a fire in the western city of Urumqi, which were blamed on a lockdown. Authorities have denied the allegation.

Despite more confident predictions of a reopening, China's approach is still characterised by confusion and inconsistencies across regions and cities.

Lu at Nomura suggested "the path to 'living with Covid' might still be slow, costly and bumpy", pointing to the arrival of winter.

In Shanghai, authorities have tightened measures in the past week by requiring residents to produce PCR test results to enter some public places every two rather than three days. Visitors to the city are also blocked from entering public areas for five days.

Chaos behind revolt see Companies

European Council

EU's Michel stresses right to peaceful assembly in talks with Xi

HENRY FOY AND YUAN YANG
BRUSSELS
RYAN MCMORROW — BEIJING

European Council president Charles Michel stressed the human right to peaceful assembly and highlighted the availability of coronavirus vaccines in a meeting with Chinese leader Xi Jinping held amid a crackdown on protests against Beijing's strict zero-Covid policy.

"We made it very clear that European companies are available to provide vaccines, if those vaccines will be agreed by the official authorities in China," Michel said after the three-hour meeting in Beijing yesterday.

The encounter in the Great Hall of the People made Michel the latest world leader to hold talks in person with the Chinese president following his emergence from several years of isolation caused by Covid-19.

Michel's comments on vaccine provision highlighted the Chinese government's refusal to approve foreign Covid jabs for mass use, which has cut the country off from the latest mRNA vaccine technology. During a visit to Beijing last month, German chancellor Olaf Scholz announced a deal for US drugmaker Pfizer to supply its vaccines to foreigners in China, after more than a year of regulatory roadblocks.

Low rates of full vaccination among the elderly are one of China's biggest challenges for lifting Covid curbs. Beijing recently approved a nasally inhaled Covid vaccine by CanSino Biologics and is preparing to roll it out in 13 cities.

Xi's third term as Communist party leader has been shaken by protests against his zero-Covid policy, of a scale not seen in decades in China. The backlash has forced his administration to ease its rigid strategy of eliminating the disease through lockdowns.

Michel said he also raised the issue of human rights with Xi. "The right to peaceful assembly is a fundamental right enshrined in the universal declaration of human rights, and in national institutions," he added.

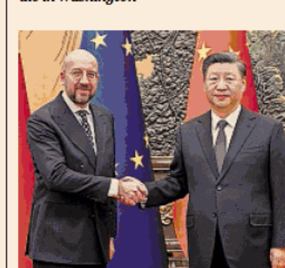
Chinese diplomats in Brussels saw Michel's visit as a sign of willingness to engage, in contrast to Washington's growing frostiness towards Beijing.

Xi told Michel that Brussels and Beijing had no "real strategic differences or conflicts" and that he hoped they would join together to "oppose decoupling", according to Chinese state media.

Michel said the two leaders also discussed Vladimir Putin's invasion of Ukraine. Beijing has come under increasing pressure from western countries to use its economic leverage and political influence to force Moscow to end the war, which began in February and has led to Putin making a range of escalatory threats, including the potential to use nuclear weapons.

Xi "made very clear that China is not providing any weapons to Russia, and . . . made it very clear that the nuclear threat is not acceptable and not responsible. This is, I think, an important message," Michel said.

Additional reporting by Demetri Sevastopulo in Washington



Welcome: Charles Michel is greeted by Xi Jinping before their meeting

US politics

Trump tax returns made accessible to Congress

STEFANIA PALMA — WASHINGTON

The US Treasury has made Donald Trump's tax returns available to a congressional committee, handing a victory to the Democratic-led panel after a long-running legal battle.

The move followed a decision by the Supreme Court last week that cleared the way for the House ways and means committee to access six years of the former president's tax records.

The panel, which is investigating Trump's tax law compliance, has been trying to get hold of the documents since 2019, but he has repeatedly attempted to block it from doing so.

The release of the files adds to a growing array of legal headaches for Trump as he seeks re-election in 2024. Shortly after he announced his latest White House run this month, Joe Biden's administration appointed a special counsel to oversee investigations into classified government documents found at his Mar-a-Lago estate and his alleged role in inciting the attack on the US Capitol on January 6, 2021.

Trump's financial records have triggered significant political and legal debates since his initial presidential campaign.

His refusal to share his tax documents has set him apart from other presidents and presidential candidates.

The Treasury's compliance with the Supreme Court order is the latest step in a fraught legal battle. Earlier this year, a federal court ruled that the ways and means committee could access the tax documents. Trump appealed against the decision, but his request for the court to reconsider its ruling was denied in October by a federal appeals court.

In his subsequent petition to the Supreme Court, Trump argued that the lower court's ruling should be blocked since the committee's "request implicates the separation of powers at some level". But chief justice John Roberts last week rejected Trump's request.

A Treasury official declined to comment on whether the committee, which requested tax returns from 2015-20, had accessed the files.

Despite the Democrats' unexpected success in November's midterm elections, the future of the investigation into Trump's taxes remains uncertain, since Republicans will take control of the House of Representatives in January and are likely to block it.

Steven Cheung, senior communications adviser to the Trump campaign, said the release of the files was an "unprecedented attack on a president by an out-of-control [Internal Revenue Service] carrying out political retribution on behalf of lame duck Democrats and Joe Biden".

Immigration. Changing trend



Hong Kong subway: the former British colony in October unveiled new visa schemes to woo global talent — Vernon Yuen/AP

Mainland students and young workers flock to Hong Kong

China's zero-Covid policy and frosty relations with US fuel increase in people moving

CHAN HO-HIM, GLORIA LI AND CHENG LENG — HONG KONG

When Kivi's plans to get a US masters degree did not work out last year, the student from China's eastern city of Nanjing switched to an institution closer to home: the Chinese University of Hong Kong.

Kivi is part of what university officials and immigration specialists say is a growing trend of mainland Chinese students and young workers moving to the former British colony.

Academics and students said the trend was driven by pessimism about the prospects offered by a mainland in the grip of tough zero-Covid policies and by doubts about the welcome Chinese can expect in the US amid increasing diplomatic tension between the two.

"Mainland China is in a state of chaos now. Everyone is suffocated," said Kivi, 23, who blamed Beijing's crackdown on private enterprise for worsening young people's job prospects. "The zero-Covid policy is the last straw," he said.

Rising discontent at the zero-Covid approach has been demonstrated across the country in recent days by extraordinary protests against the policy, some of them joined or led by students.

The increase in mainland Chinese students in Hong Kong has more than made up for a fall in the number of international students in the city during the pandemic, official data show.

The city's immigration department issued 37,087 student visas to mainland students in 2021, up from 30,707 in 2019. In contrast, 6,645 students from overseas and Taiwan were granted study visas last year, down from 11,188 two years before.

Joshua Mok, vice-president of Hong Kong's Lingnan University, said mainland Chinese accounted for most of the 13,000 non-local applications the institute had received by June for this year's taught postgraduate programmes, far more than the 5,000 made in 2021.

Hong Kong's better job prospects for young people will help drive a further increase in applications from the mainland over the next year, Mok said, adding that the university had already hired dozens more academic staff. Mainland China's youth jobless rate was nearly 18 per cent in September, compared with less than 8 per cent in Hong Kong.

Academics and students said the targeting of mainlanders by demonstrators during Hong Kong's pro-democracy protests in 2019 had put some off the city, but the introduction of a sweeping national security law in 2020 meant this was no longer a big concern. Mok said diplomatic tensions were also pushing mainland students there, with some being denied study visas by the US. The US granted only 49,959 F1 student visas to Chinese mainland students in the six months to the end of September, down 45 per cent on the same period in 2019.

More young mainland workers are also looking to Hong Kong, said immigration specialists, even though the city's economy contracted by 4.5 per cent in the third quarter. Mainland China's gross domestic product grew 3.9 per cent during the same period.

37,087	45%
Visas issued in 2021 to mainland students, from 30,707 in 2019	Fall in US student visas for mainland Chinese students against 2019

"The main driver is the uncertainty caused by zero-Covid . . . Many indicators showed that mainland China is moving backwards," said JY, a Shanghai-based medical tech firm manager.

JY said she and a "bunch of friends" had become interested in moving to Hong Kong after leader John Lee unveiled new visa schemes in October. The schemes include a two-year "top talent" pass allowing those with an annual salary of at least HK$2.5mn (US$320,000) or who graduated from a top university to stay in Hong Kong without first obtaining a job offer.

Immigration consultancies that help mainland Chinese move to Hong Kong have reported a rise in interest. Inquiries rose 20-30 per cent, said the Hong Kong office of agency Globevisa.

The number of mainland Chinese workers granted visas in Hong Kong declined to 9,065 in 2021, down 35 per cent compared with 2019. But visas for overseas workers fell 67 per cent to 13,821. The number of long-term work visas granted to mainland Chinese also grew 15 per cent from 2019 to 2021 to 6,930, compared with a fall for overseas workers of a third.

Attracting talent from the mainland is important for Hong Kong after many residents fled the city's tough coronavirus curbs and the crackdown that followed the 2019 protests. Hong Kong's workforce has fallen by at least 140,000 since 2020 to around 3.7mn.

Zhang, 30, a Nanjing consultant with degrees from the US, said the city could "be a stepping stone to emigrate to another country", while Yoyo, 22, at the Chinese University of Hong Kong, is one of many who yearn to stay after graduation. "In Hong Kong, at least, I can live like a human being," she said.

Legal Notices

NOTICE OF INTENDED DIVIDEND PURSUANT TO RULE 14.29 OF THE INSOLVENCY (ENGLAND AND WALES) RULES 2016
LB RE FINANCING NO.3 LIMITED – IN LIQUIDATION
REGISTERED NO. 06454161
REGISTERED OFFICE: 7 MORE LONDON RIVERSIDE, LONDON SE1 2RT, UNITED KINGDOM
IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT
NO. 9634 of 2008

Notice is hereby given, pursuant to Rule 14.29 of the Insolvency (England and Wales) Rules 2016 that the Joint Liquidators intend to declare a fifth and final dividend to unsecured non preferential creditors within two months from the last date of proving, being **24 December 2022.** Creditors are required on or before that date to submit their proofs of debt to the Joint Liquidators, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, United Kingdom, marked for the attention of Diane Adebowale or by email to lehman.affiliates@uk.pwc.com.

Persons so proving are required, if so requested, to provide such further details or produce such documents or other evidence as may appear to the Joint Liquidators to be necessary.

The Joint Liquidators will not be obliged to deal with proofs lodged after the last date for proving but they may do so if they think fit.

Creditors who wish to have dividend payments made to another person or who have assigned their entitlement to someone else are asked to provide formal notice to the Joint Liquidators.

For further information, contact details, and proof of debt forms, please visit https://www.pwc.co.uk/services/business-recovery/administrations/non-lbie-companies/lbref-no3-limited-in-administration.html. Alternatively, please call Diane Adebowale on +44 (0) 20 7583 5000.

Joint Liquidators' details:
Gillian Eleanor Bruce (IP no. 9120) and Edward John Macnamara (IP no. 9694), both of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, United Kingdom
Date of Liquidation appointment: 23 July 2012
Dated: 2 December 2022
GE Bruce
Joint Liquidator

Independent agency

Mexico president's electoral reform plan raises concerns on oversight

DAVID AGREN — MEXICO CITY

Andrés Manuel López Obrador's planned electoral reform would undermine the independence of Mexico's election commission, a prominent architect of the country's transition to multi-party democracy has warned.

José Woldenberg, who oversaw the 2000 election that ended 71 years of one-party rule, said the reform being debated in Congress this week would weaken the National Electoral Institute (INE) by restoring oversight of elections to the government, as occurred in Mexico during decades of rigged ballots.

"Our president does not like autonomous agencies. [He] would like all the Mexican state's agencies aligned with his will," said Woldenberg. "He cannot coexist with an institute like the INE . . . which took years, decades to build."

The INE organises elections and monitors political activity in Mexico. Observers say it was instrumental in the democratic transition and is regarded as one of its most trusted institutions.

But the populist president's proposed changes would strip the INE of its operational autonomy, cut its staffing and slash public funding for political parties. Further, INE directors, as well as judges on the electoral tribunal, would be selected by a popular vote instead of being appointed by Congress. López Obrador has pushed for reform despite lacking the two-thirds majority in both houses of Congress needed for constitutional amendments. If it fails, he has promised to proceed with cuts to the INE's budget and changes to its statutes before the 2024 presidential and congressional elections.

"The reform tries to strengthen democracy, protect it, as there are still risks of electoral fraud," he said in mid-November. He has previously alleged that under the INE "this corrupt, anti-democratic system continues".

López Obrador has railed against the INE since losing a close 2006 presidential election, which he claims was fraudulent even though international observers proclaimed it free and fair. Although he won power in 2018, the president still alleges he was cheated of victory in the earlier election.

The INE was formed after the 1988 election, when a supposed computer crash in the interior ministry wiped out early results showing the opposition in first place. When the systems were restored, the ruling Institutional Revolutionary party won.

A poll by newspaper El Financiero found 61 per cent support for the INE. An estimated 250,000 people rallied in Mexico City to protest against the president's bill and defend the INE, according to organisers, one of the largest demonstrations against López Obrador. The city's mayor, Claudia Sheinbaum, said 60,000 attended.

Political analysts said the march has helped galvanise opposition party leaders into resisting intense pressure to approve the bill.

A 2007 reform of the INE imposed strict regulations on political advertising, limited politicians' self-promotion and toughened financing rules.

"There are so many things in Mexico that don't work," Woldenberg said. "And the thing that has shown it works is what [López Obrador] wants to destroy."



VICTORY IS A STATE OF MIND

LOUIS VUITTON

Zero hour Fund managers' appetite for equity options with short lifespans prompts fears they are fuelling volatility ● MARKETS

Companies & Markets

HSBC chief denies Beijing behind push for break-up

- Ping An plan 'not politically motivated'
- Other investors oppose split, says Quinn

STEPHEN MORRIS AND OWEN WALKER
LONDON

HSBC chief executive Noel Quinn has denied that Ping An's campaign to break up the bank is directed from Beijing and says the Chinese insurer's demands are not backed by other large shareholders or its customers.

Ping An, the lender's largest investor with almost a tenth of the stock, has called for HSBC to spin off its Asian business, citing years of poor performance, high costs and a falling share price. It has also argued that the bank cannot operate effectively straddling east and west in an era of tense US-China geopolitics.

Given HSBC's dominant position in Hong Kong, where it was founded in 1865, there has been persistent speculation that Ping An's drive to break up the bank is being pushed by the government in Beijing, which is trying to increase its control over the city's financial system.

> 'We're viewed in Asia, in Hong Kong, in China as an important international bank'

But Quinn denied that suggestion at the Financial Times' Global Banking Summit yesterday. "I do not believe it is politically motivated based on all the dialogue we've had with various stakeholders. Quite the contrary," he said.

"We're viewed in Asia, in Hong Kong, in China as an important international bank. We're an international bank that has been there for 157 years, helping Hong Kong develop as an economy, helping China develop. Based on the conversations we've had, that is a position that is still valued and people want us to take."

He added that Ping An's activist campaign, which started in April, had failed to win traction with the bank's other large international investors and customers. HSBC has pushed back against the demands, hiring Goldman Sachs and Robey Warshaw to rebut the economics of the plan, claiming that it would be too expensive and put at risk its dollar clearing licence, vital to its core global trade financing operations.

"The conversations I've had with other institutional investors are that they also do not believe there is an economic case for splitting the bank," Quinn said. "They also believe there will be value destruction of a material level, not value creation."

Pressure from Ping An has had an impact on the bank's strategy and Quinn conceded he had given "very serious consideration" to its ideas and agreed with some of the insurer's criticisms on high costs and poor returns.

HSBC has moved more aggressively to cut costs and sell peripheral units, most recently the $10bn sale of its Canadian operations, following the earlier disposals of lossmaking retail networks in the US and France.

The bank has also identified $1.7bn of extra cuts, which help keep costs down as inflation rises, which can be implemented next year, according to Quinn. Its overall target of costs rising 2 per cent in 2023 remained in place, he added.

Quinn said the disastrous UK "mini" Budget that froze the gilts market and caused the pound to plunge had been a "very difficult period of time" that had damaged the UK's economic credibility.

But the policies of new prime minister Rishi Sunak had gone some way to reassuring international markets. "The UK is still very investable, in my opinion," Quinn said.

He also discussed his future as chief executive of the group, which he has led for three years, following recent changes to its leadership. He said he intended to stay in the role for "many more years".

Strategic asset Russia's Lukoil resumes talks with US buyout group to sell Italian refinery



Vital infrastructure: the Lukoil-owned ISAB oil refinery in Priolo, on Sicily's east coast — Antonio Parrinello/Reuters

JAMES FONTANELLA-KHAN
NEW YORK
SILVIA SCIORILLI BORRELLI — MILAN
DAVID SHEPPARD — LONDON

A US private equity group has resumed talks to buy Italy's largest petroleum refinery from Russia's Lukoil, but any deal will require the backing of Italy's new nationalist government, people briefed on the matter told the Financial Times.

Crossbridge Energy Partners is negotiating an agreement with Lukoil that would value Sicily-based ISAB refinery at €1bn to €1.5bn, the people said. Global commodity trader Vitol would help to finance a deal, they added.

Talks between the US group and Lukoil began this year and accelerated at the end of the summer when Crossbridge executives carried out 12 days of due diligence at the plant in the town of Priolo. But discussions came to a halt at the end of October.

Lukoil is pushing to get a deal done before EU sanctions targeting Russian seaborne oil exports come into full effect next Monday.

Italy's government contends that any deal will require extra time to settle. It is putting priority on ensuring banks provide the refinery with operating funds, officials said.

Vitol would receive a supply and offtake agreement as part of the financing deal, said the people briefed on the talks, which would make it the key provider of crude for the refinery and marketer of the fuels it produces. Vitol declined to comment.

The commodities trading house Trafigura has also held talks with Lukoil on a potential deal in case negotiations with Crossbridge fall apart, people briefed on the matter said. Trafigura declined to comment.

Any acquirer picked by Lukoil would need the backing of Giorgia Meloni's new rightwing government, said people briefed on the matter.

Italy is planning to buy a minority stake in the Switzerland-based company that Lukoil uses to control the refinery through so-called "golden power" rule, which enables Rome to intervene when there is a perceived threat to an asset in a strategically important sector, such as energy.

Meloni's government wants reassurances that any new buyer will not cut jobs or restructure the company in a way that harms one of the poorest parts of the country. The refinery is responsible for producing 22 per cent of Italy's road fuels.

The Priolo refinery employs more than 1,000 people and indirectly supports thousands of jobs in the area. Crossbridge is ready to commit to "zero cuts", said a person with direct knowledge of negotiations.

The Italian treasury declined to comment. The ministry for economic development could not be reached for comment.

Credit Suisse says outflows have reversed after 'storm'

OWEN WALKER AND STEPHEN MORRIS
LONDON

The chair of Credit Suisse said clients had started to return to the bank after pulling tens of billions of dollars of assets following a "social media storm" at the start of October.

Axel Lehmann said withdrawals had flattened across the group and had started to reverse in the Swiss domestic business but the scale of the outflows had caught the lender off-guard.

"It was a real storm," said Lehmann at the Financial Times' Global Banking Summit yesterday. "It was a storm in the retail and partially in the wealth management segment, in particular in Asia, where we had really massive outflows for two to three weeks. The good part of the sad story is we had very few clients leaving. They are still with us, they still continue to do business with us."

He said clients had taken up to a third of their assets in the bank and transferring them to rivals. "I have anecdotes from clients and I know that the money will certainly come back over time."

Credit Suisse revealed last month that rich clients had withdrawn about SFr63.5bn ($67.4bn) since the start of October — equivalent to 10 per cent of wealth management assets — following a spate of social media rumours about its financial health.

Spreads on the group's credit default swaps surged in early October, which indicated that investors were becoming more bearish on the group after a stream of rumours were posted on social media and web forums.

Across the group, the bank bled SFr84bn in the fourth quarter, as private banking, asset management and retail clients moved money from their accounts to rivals.

Credit Suisse said it expected a pre-tax loss of up to SFr1.5bn in the final three months of the year, its fourth profit warning since January.

The bank's shares have tumbled to 30-year lows in recent weeks, falling to SFr2.70 yesterday, 40 per cent lower than when the bank announced a radical restructuring in late October. The bank's CDS also remain elevated at close to 450 basis points, compared with 350bp at the start of October, the height of the social media furore.

Lehmann was installed as chair in January, following the departure of António Horta-Osório, who was found to have breached Covid-19 rules.

Contracts & Tenders

COURT OF PESCARA
Banruptcy Proceeding N. 65/21 R.F.
Competitive Online Auction

Trustee Avv. Carlo Del Torto e Dott. Michele Pomponio

Municipaiity of Caramanico Terme (PE): Lot 1 – between Viale Roma and Via della Libertà (or via Torre Alta). Full ownership of a Hotel Spa Complex consisting of: Caramanico thermal baths with therapy areas, a hotel above it, as well as offices, public and private parking, several plots, including those on which the sulphur and thermal water springs are located, in addition to movable assets in the real estate, consisting of specific furnishings of the thermal baths, the offices and the waiting areas, appliances of various kinds, hotel room furniture, motor vehicles and the brand "Terme di Caramanico – La Salute dal 1576". Empty. **Base price: Euro 10.531.203,91 (Minimum offer Euro 8.951.523,32) in the case of an invitation to tender, increment steps of Euro 50.000,00. Lot 2 – Loc. Santa Croce.** A spa hotel, former wellness center, consisting of a four-storey building for reception, entertainment, services and overnight stay as well as some adjacent or nearby land and movable property within the buildings, consisting of facilities, equipment, furniture. Empty. **Base price: Euro 14.270.330,20 (Miminim offer Euro 12.129.780,67 in the case of an invitation to tender, increment steps of Euro 50.000,00. Online auction: 25/01/2023 ore 12:00,** participation online on the site www.astetelematiche.it. In the case of several valid offers, the auction will start immediately, which will end on 01.02.2023 at 12:00, subject to possible extensions. Deposit of the offers until 24.01.2023 at 12:00 via the website www.astetelematiche.it. For further information please contact the company in charge of the sale, Aste Giudiziarie Inlinea Spa under n. 00390586201479 and Email vendite@astegiudiziarie.it, at www.tribunale.pescara.it, www.giustizia.abruzzo.it and www.astegiudiziarie.it (Cod. A4260141,A4260142).

REPUBLICATION OF INTERNATIONAL PUBLIC BIDDING N° 01/2022

The Regulatory Agency for Delegated Public Transport Services of State of São Paulo (ARTESP) makes public the changes in the documents of the International Public Bidding n° 01/2022 for the sponsored concession of public services of expansion, operation, maintenance, and the implementation of investments necessary for the operation of the road segment that makes up the so called Rodoanel Norte Lot.

Update bidding documents (request for bids, agreement and annexes), prepared under the technical advice of the International Finance Corporation (IFC), will be available for consultation on the ARTESP website from November 26, 2022.

According to the rules of the public notice, requests must be sent to the e-mail novasconcessoes@artesp.sp.gov.br, with the subject "Rodoanel Norte – Pedidos de Esclarecimentos" until February 22, 2023.

The public session for the delivery of proposals and other necessary documents will take place on March 14, 2023, at 2:00 pm (Brazilian GMT), at the B3 headquarters (Rua XV de Novembro, 275, Centro), in São Paulo.

ARTESP
GOVERNO DO ESTADO DE SÃO PAULO

Musk brings chaos theory to corporate management at Twitter

INSIDE BUSINESS
TECHNOLOGY
Richard Waters



When Elon Musk decided to pick a public fight this week with Apple chief executive Tim Cook, it looked like another questionable decision from the wilful Twitter owner.

Alienating a company that is a big advertiser on the network seemed pointlessly self-destructive. In an effort to whip up anti-Apple sentiment, Musk lashed out at what he claimed had been a threat to remove Twitter from the Apple App Store — the latest examples, he claimed, of the company's unwarranted censorship. He also attacked the fees charged to app developers.

The message resonated in Washington. Barely 24 hours later, Republicans such as Florida governor Ron DeSantis were lining up to threaten Apple with retaliation if it did anything to jeopardise the free speech agenda that Musk has draped around his new venture. Soon after, Musk and Cook were walking in the grounds at Apple's HQ and making up. Musk claimed that any threat to Twitter's presence in the App Store had been a misunderstanding.

As with much of his behaviour since the takeover of Twitter, the saga has shown Musk's restless appetite for controversy and attention. Most people who take public companies private are only too eager to retreat from the public eye. For Musk, the opposite has applied. Impetuous, provocative, impossible to ignore: his headline-grabbing run at the social media company has become an object experiment in the chaos theory of corporate management — that sometimes you need to rip things up to renew.

The public flailing has been matched by an internal upheaval at Twitter, including a drastic cut in staffing, that has raised questions about its ability to maintain critical operations, from running its underlying technology infrastructure to preventing a tide of harmful content overrunning its network.

In the world of tech start-ups, where the failure to move fast enough can spell death, Musk's freewheeling drive has an obvious purpose.

He has almost single-handedly built the electrical vehicle and commercial space industries. When applied to an established social media company that plays a key role in global communications, however, the consequences are more unsettling.

> In taking an axe to Twitter's operations, Musk appears to believe that the bigger risk lies in not going far enough

For a company that has attention in its lifeblood, Musk's approach makes a certain degree of sense with the drama playing out in real time adding to audience engagement. Whether he's appearing to negotiate with Stephen King publicly over how much to charge for a new subscription service, or polling users on decisions, it's all part of the circus.

The question of whether his company can withstand the shock therapy is another matter. In taking an axe to Twitter's existing operations, Musk appears to believe that the bigger risk lies in not going far enough, rather than in going too far. From demanding that his engineers come up with a new subscription service in little more than a week, to slashing half the workforce and then daring the rest to resign if they did not want "long hours at high density", he has seemed to relish the idea of testing the operational limits of a company he just spent $44bn to acquire.

The result has often been a mess. The new subscription service was hastily pulled when it led to an epidemic of fake accounts impersonating real companies. Twitter was also reported to be racing to re-hire some workers it had sacked to keep critical functions at the company ticking over.

It is still too early to judge the consequences of this upheaval on Twitter's operations, or whether the network has left itself vulnerable to a rise in misinformation, hate speech and child porn.

But despite predictions that the radical cost-cutting could trigger serious technical problems and a shutdown at the service, Twitter remains in operation. Musk's radical cost-cutting and attempts at a cultural reset inside Twitter also carry a distant echo of what is happening at some other Big Tech companies. As they face a tougher period ahead, chief executives such as Google's Sundar Pichai and Meta's Mark Zuckerberg have also been consciously trying to rekindle the entrepreneurial spirit that made their companies great.

Yet the new boss at Twitter has taken this to extreme, and damn the consequences. Musk has always shown a tolerance for chaos and the dizzying levels of risk he thrives on have set him apart. If he can pull off a transformation of the company to what he calls Twitter 2.0, it will be one of the most remarkable corporate revivals ever. But it is a big "if".

richard.waters@ft.com

See Companies

FT Weekend

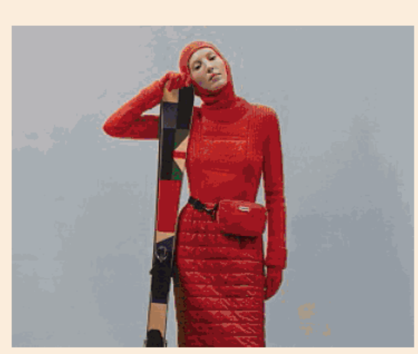




Simon Schama: how art can take on autocracy



Jancis Robinson's best red wines of the year



Snow business: standout style for the slopes



Exiled ex-Afghan mayor **Zarifa Ghafari has Lunch with the FT**

Pick up your copy this weekend or subscribe online at ft.com/subscribe

Banks

Gilts crisis triggered Lloyds fire sale

Billions of pounds in assets sold by pension scheme to meet collateral calls

JOSEPHINE CUMBO

Lloyds Banking Group's pension scheme sold billions of pounds of assets to meet collateral calls during September's market crisis, one of the biggest known sales by a corporate plan.

Details of the scale of asset disposals were revealed in a submission made to the work and pensions select committee by the partner of the head of Lloyds' £52bn retirement scheme.

In evidence to MPs, Henry Tapper, founder of AgeWage, which provides pension market analysis, said that he lived with the chief executive of a large defined-benefit plan "which needed to liquidate a large proportion of its equity holdings and seek a line of credit from its sponsor" during the market rout.

"Much of the money posted as collateral won't be seen again, the assets of the scheme are depleted, and much money has been spent in the liquidation process," wrote Tapper. "I understand the scale of the collateral call ran into billions of pounds."

Tapper's partner, Stella Eastwood, is head of pensions at Lloyds, whose three defined-benefit plans have about 47,000 members and rank among the UK's largest corporate retirement plans.

The Lloyds pension group was one of thousands caught in the pension crisis triggered by a sell-off in bonds following the Truss government's September 23 "mini" Budget.

Pension plans were forced to sell assets such as gilts and equities to meet urgent collateral calls from asset managers as bond prices plunged before the Bank of England stepped in.

Lloyds has previously declined requests by the Financial Times to disclose details of asset sales made to meet collateral calls on its pension fund's liability-driven investment contracts.

The bank declined to comment on the Tapper submission but did not dispute the "billions" figure quoted in his written evidence.

However, in its trading update, Lloyds said the volatility "had no material impact on the funding position of the pension schemes".

Tapper has retracted his statement that the pension scheme sought a credit line from the bank during the crisis. One person close to Lloyds confirmed that the bank had not provided credit to the scheme.

Details of the Lloyds case came to light as experts and policymakers debated the impact of the crisis on pension plans, many of which were forced to sell assets at deep discounts to meet collateral calls on LDI strategies.

Goldman Sachs was among a group of investors seeking to buy cut-price private assets from UK pension funds as they rushed to raise cash.

In spite of the crisis, many defined-benefit plans are in a better funding position due to the impact of rising interest rates reducing their liabilities faster than falls in their assets.

Tapper told the Financial Times that he had made his submission to highlight the impact of the gilt crisis on smaller pension plans that used LDI strategies but did not have the resources of bigger groups, such as Lloyds, to withstand market shocks or meet margin calls very quickly.

He declined to comment further on how he obtained the information in his written submission. Eastwood was contacted for comment.

Transport. Consolidation

Merger set to shake up Indian airlines sector

Deal between onetime national carrier and Vistara will test IndiGo's domestic dominance

CHLOE CORNISH — MUMBAI
MERCEDES RUEHL — SINGAPORE

India's dog-eat-dog aviation industry is on the cusp of a transformation.

After years of cut-throat pricing wars between Indian airlines, the landmark merger of former national carrier Air India with Vistara will shake up the fast-growing industry.

In a boom and bust sector where some analysts argue consolidation has been overdue, the deal will challenge the dominance of the country's biggest domestic flyer IndiGo, analysts say.

An enlarged Air India group at an estimated value of $4.4bn will grab just under a quarter of the domestic sector, making it the country's second-biggest carrier after IndiGo, which commands well over half of the market.

"The competitive dynamics in India are moving towards a two-pillar system around the Air India Group and IndiGo," wrote CAPA India, an aviation advisory.

Significantly, it expects the two carriers between them will grow to claim about half of India's international market, which is dominated by foreign carriers. "You can't have six to seven airlines competing, offering uneconomical fares and perishing," said Air India's former executive director Jitender Bhargava.

The merger of Air India and Vistara, which owners Tata and Singapore Airlines announced on Tuesday, concludes a chapter started 22 years ago.

Singapore Airlines, which holds 49 per cent of Vistara, said it would invest about $250mn in Air India group, giving it a 25.1 per cent stake in the entity, which will be "four to five times larger" than Vistara.

The story began back in 2000, when Indian conglomerate Tata, which owns 51 per cent of Vistara, joined forces with Singapore Airlines in a bid to buy part of Air India.

For Singapore Airlines, India, with the fastest-growing air travel market of any large economy, is one of the most strategically important countries, alongside China, Indonesia and Australia.

Singapore also has close economic and cultural ties with India and huge passenger traffic flowing both ways.

The deal is another attempt by Singapore Airlines, which is majority owned by Singaporean wealth fund Temasek, to make a successful overseas investment after a number of setbacks.

Ten years ago, it took a painful loss when it sold its Virgin Atlantic stake to Delta Air Lines for $360mn, having bought it for $963mn in 1999.

And in 2020, Virgin Australia, in which Singapore Airlines had a 20 per cent stake, went into administration because of the coronavirus pandemic. Vistara, which started operations in 2015, was unprofitable even before Covid-19.

"This time is a bit different because it is not a new overseas investment," said Brendan Sobie, an independent aviation analyst based in Singapore. "[Singapore Airlines] is converting its Vistara stake into a new entity with potentially a better chance down the track.

"They may be better off with a smaller share of something bigger rather than a larger share of a smaller airline." The consolidated group will have 218 aircraft.

Air India was founded by family patriarch JRD Tata in 1932, but was nationalised by the government in 1953. When Tata finally reclaimed the lossmaking airline in a $2.4bn deal last year, it faced a tough turnround job: Air India's glittering reputation had been worn threadbare by traveller complaints over surly service, delayed take-offs and ageing seats.

Bhargava said the Vistara merger could help to speed up a management transition at Air India, where "employees have been with a government psyche . . . Vistara employees have a different mindset".

Tata is also restructuring its aviation portfolio. In November, Air India announced that it had acquired majority Tata-owned budget carrier AirAsia India.

It hoped to integrate it with Air India's own low-cost brand Air India Express.

But restoring Air India will be expensive, with the need to buy new aircraft and overhaul the existing ones.

Natarajan Chandrasekaran, chair of Tata Sons, the parent of Tata Group, said Air India was focused on "growing both its network and fleet", with the aim of offering "both full-service and low-cost services across domestic and international routes".

But both airlines are unprofitable. In a reminder of the challenge ahead, Singapore Airlines calculates the enlarged Air India group's net loss on a pro forma basis at S$2.4bn ($1.8bn) for the 2021-22 financial year.

Singapore Airlines said it expected to make further cash injections of up to $615mn after the merger, which is subject to approval by competition regulators and due for completion by March 2024.

The airline's confidence in its investment has been helped by the appointment of Campbell Wilson, founder of Singapore Airlines' budget subsidiary Scoot, to lead Air India.

A person familiar with Singapore Airlines' thinking said the company was more comfortable with the deal since he took the reins.

"They are confident in Campbell, who is straightforward and good at identifying and tackling issues," the person said of the New Zealand-born executive. "He doesn't beat around the bush."



Flight plan: Air India's tie-up with Vistara is seen by analysts as an overdue consolidation
Sajjad Hussain/AFP via Getty Images

'You can't have six to seven airlines competing . . . and perishing'

Crypto

Former FTX chief admits mistakes but denies fraud

TABBY KINDER — SAN FRANCISCO
JAMES FONTANELLA-KHAN AND ANTOINE GARA — NEW YORK

Sam Bankman-Fried said he "never tried to commit fraud" but admitted he made "a lot of mistakes" ahead of the collapse of his $32bn cryptocurrency empire, which threatens to inflict significant losses on users of his popular FTX trading platform.

The founder of the now-bankrupt crypto exchange FTX denied "knowingly" commingling customer funds with those held by Alameda Research, his proprietary trading group.

"Clearly, I made a lot of mistakes or things I would give anything to be able to do over again," Bankman-Fried said at The New York Times Dealbook summit.

Appearing virtually from the Bahamas, Bankman-Fried grinned nervously, repeatedly tapped his foot, and appeared to shake involuntarily as he faced questions on topics from prescription drug use by FTX staff and improper transfer of funds to whether he knowingly flouted risk and compliance rules that jeopardised customer accounts.

"I was failing to pay nearly enough attention to positions and positional risk on the exchange and to Alameda's in particular and . . . I substantially underestimated what the scale and speed of the [crypto] market crash would look like," he said. "There is a substantial discrepancy between what the true, audited financials were . . . versus what the dashboards we had displayed for Alameda's account, which substantially under-displayed the size of the positions."

'I was failing to pay nearly enough attention to positions and positional risk on the exchange'

The collapse of FTX was precipitated by panicked customer withdrawals and ricocheted across crypto markets. It was discovered that as much as $8bn of funds were missing. The failure is being examined by criminal prosecutors and regulators in the US and the Bahamas.

Bankman-Fried said lawyers had told him not to agree to interviews. "I think I have a duty to talk and to explain what happened," he said. "I don't see what good is accomplished by sitting in a room pretending that the outside world doesn't exist." Asked about whether he was worried about potential criminal liability, he said: "It's not what I'm focusing on. I had a bad month."

Bankman-Fried was replaced as CEO of FTX by John Ray III, a restructuring expert who represented plaintiffs in the Bernard Madoff and Allen Stanford frauds and helped unwind Enron. Ray had never seen "such a complete failure of corporate controls".

Bankman-Fried defended his position as one of the most prolific givers to the US Democratic party in the latest election cycle. "My donations were mostly for pandemic prevention, and they were looking at primary elections where there were candidates who are outspoken in favour of doing things now to prevent the next pandemic."

Bankman-Fried will continue to face questions and allegations from prosecutors, regulators, investors and up to 1mn creditors over FTX's missing funds.

Asked if he would leave the Bahamas to come to the US, he said he "would not be surprised" if he was called on to give evidence at one of the hearings on the collapse.

Technology

Musk says differences with Apple 'resolved'

HANNAH MURPHY AND PATRICK MCGEE
SAN FRANCISCO

Elon Musk said he had a "good conversation" with Apple chief executive Tim Cook and "resolved the misunderstanding" about his claim that Twitter could be removed from the App Store, just days after the world's richest man unleashed a tirade against the most valuable tech company.

In a tweet, Musk said "Tim was clear that Apple never considered" removing Twitter from the App Store, describing it as a "misunderstanding".

Musk, who bought Twitter for $44bn last month, also thanked Cook for "taking me round Apple's beautiful HQ", and posted a video from Apple Park.

The volte-face comes after the billionaire entrepreneur on Monday accused Apple of threatening to "withhold Twitter from its App Store", without explaining why, and criticised the iPhone maker for curbing advertising on the platform, writing: "Do they hate free speech in America?"

The Tesla and SpaceX chief executive also raised concerns about Apple's "in-app purchase" policy, which gives it a 15-30 per cent cut of digital purchases made on the iPhone, and claims that the company abuses its market power.

Musk has previously outlined plans to shift Twitter away from relying on advertising revenues — in which Apple takes no cut — towards more subscription revenues, from which Apple would take a slice.

Apple declined to comment.

The apparent reconciliation comes amid growing concern among some non-profits and regulators about Musk's relaxation of Twitter's content moderation policing. Musk, a self-declared "free speech absolutist", is reversing most permanent bans on the platform and allowing all speech as long as it is legal, although "negative/hate speech" will not be boosted in users' feeds.

The approach has prompted dozens of large brands to pull spending from the platform over fears their advertising may run alongside toxic content.

In a blog post, Twitter said none of its policies had changed and that its trust and safety team remained "strong and well resourced".

Apple maintains guidelines requiring social media apps to "block abusive users", allow users to "report offensive content" and to filter "objectionable material from being posted".

When Apple expelled Parler, a Twitter rival used by rightwing extremists, Apple said it had "not upheld its commitment to moderate and remove harmful or dangerous content encouraging violence and illegal activity".

Florida's Republican governor, Ron DeSantis, warned Apple that removing Twitter from the App Store would be viewed as a "raw exercise of monopolistic power" and "would merit a response from the US Congress".

Support services

Valley law firm Cooley slashes headcount

JOE MILLER — NEW YORK
TABBY KINDER — SAN FRANCISCO
KATE BEIOLEY — LONDON

Silicon Valley law firm Cooley has dismissed more than 100 lawyers and other staff following a dramatic slowdown in its technology practice — just weeks after Elon Musk's Twitter dropped the company.

The Palo Alto-headquartered firm said an "unexpected economic downturn" had forced it to reduce its workforce to "better align with current and anticipated demand" from its clients, which include Facebook owner Meta, Netflix, Apple and venture capitalist groups.

The move comes after big tech groups have started implementing job cuts because of higher interest rates, sluggish consumer spending and a worsening economic outlook. US tech companies' initial public offerings this year have fallen to their lowest level since the global financial crisis in 2008.

Earlier this month, legal industry analysts at the Thomson Reuters Institute warned a sharp slowdown in dealmaking would "potentially place firms under immense pressure to bring expenses under control by cutting headcount, much the same as in 2008-09".

Twitter fired Cooley after Musk took over at the end of October, said two people familiar with the matter. The firm had worked for the social network since at least 2016, when it defended the company in a lawsuit over its IPO. A person close to Cooley said discussions about job cuts were taking place before Twitter's decision. But a second person close to the firm said the firm losing the platform's account, of which it was notified about two weeks ago, had probably resulted in deeper cuts.

Cooley had a public spat with Musk earlier this year — he had threatened to cut off the law firm from its work for his electric carmaker, Tesla. Musk wanted Cooley to dismiss a lawyer who had previously worked at the Securities and Exchange Commission, which had fined him $20mn. Cooley refused to comply.

In a memo to staff on Wednesday, seen by the Financial Times, Cooley's chair, Joseph Conroy, admitted the firm had hired too many people as demand grew over the past two years.

Before the job cuts, Cooley had grown to 1,500 lawyers across 18 offices, and a total workforce of 3,300 worldwide.

See Lex



The sackings come just weeks after Twitter dropped the company

Chaos behind Covid revolt at China's iPhone city

Workers at Foxconn's Zhengzhou assembly plant tell of issues that cast light on Apple's supply chain vulnerabilities

BY FT REPORTERS

Managers at the world's largest iPhone factory breathed a sigh of relief when the local government in Zhengzhou lifted a five-day lockdown on most of the Chinese city on Tuesday.

After more than a month of disruption triggered by a Covid outbreak at the plant, "it reminds us that we will get back to normal eventually", said a human resources executive at Foxconn, which owns and runs the factory town.

But the troubles are far from over. The Taiwanese contract manufacturer is still struggling to staff assembly lines at the peak of Apple's pre-holiday high season and delays in deliveries of premium iPhone models, almost all made in Zhengzhou, are growing.

The disruption, and Apple's rare warning that the supply constraints will hinder its revenue growth, highlight the vulnerabilities created by the US tech giant's reliance on a Chinese manufacturing model that turned it into the world's most valuable listed company.

"The Zhengzhou debacle is being talked about as a result of China's zero-Covid policy but what it really shows you is systemic weaknesses in the way manufacturing is organised," said a person who has been conducting electronics supply chain audits in China for more than a decade. "The faultlines were between the company, subcontractors and local government, and that's been a problem over many years."

When Zhengzhou started registering Covid infections in mid-October, Foxconn put its plant under "closed loop" management, barring staff from leaving the site. But, as infections started spreading inside the factory town, many workers fled the campus.

Those who stayed paint a picture of utter chaos.

A logistics worker surnamed He, who has been with Foxconn for 10 years, used to live off-site but, fearing to be locked out of the factory in October, he moved into the warehouse. "I've been living here for half a month," he said on November 2. "I use wood board and fibreboard as a bed and throw in my duvet."

Even though the company notified workers that they had to be sorted into two groups, with those who had been working required to quarantine for five days, He managed to stay. "I was only quarantined for one day in the end," he said.

Others were less lucky. Workers described colleagues and relatives at the plant being forced into quarantine in sealed dormitory rooms with as many as a half dozen other workers and little idea if they had Covid or not. Others said they received "abnormal" Covid test results and developed symptoms without ever officially being told they had tested positive.

As iPhone production was supposed to kick into high gear, Foxconn urgently needed new employees following the exodus in October. As so often in times of labour shortages, the company hired thousands of seasonal workers through the local government.

But Foxconn registered the temporary hires under terms used for long-term staff, lower than the pay promised by the government. That triggered violent protests by the seasonal workers, which were forcefully put down by police.

To get rid of the disaffected, the company offered Rmb10,000 ($1,400) to those willing to leave — an offer taken up by more than 15,000, according to two people at the plant. But now, as Foxconn struggles to man its production lines, it is promising bonuses to new hires and to workers who introduce additional staff.

"They came up with an idea yesterday, then they changed it today, and maybe will change it again tomorrow," said He. "You never understand what is Foxconn trying to do."

Foxconn executives said they were scrambling to respond to the government's ever-changing demands. "The problem is that we kept running into issues where we don't have jurisdiction," said one.

This person added that thousands of workers were transferred to quarantine facilities on the demand of local authorities, which then failed to keep the quarantined supplied with food. According to the executive, Foxconn offered to take some of the staff back but then struggled to supply food in time itself.

The pay problem that prompted the violent protests also appears to have been caused by miscommunication between the company and local authorities.

"Many local civil servants like me are not familiar with Foxconn's remuneration so, technically, we could not promise wages or bonuses," said an official in Pingdingshan who helped to hire local workers for Foxconn. "However, some still offered false promises."

Such problems have arisen before. Over Foxconn's 20-year history of manufacturing for Apple in China, activists have accused the company time and again of labour rights violations.

One of the most frequent problems has been the use of student interns recruited by the government like normal workers. Complaints about underpaying workers frequently occurred after job brokers promised terms Foxconn did not confirm. Some past instances of worker unrest occurred in accommodation on the factory campus but managed by outside contractors.

Foxconn's heavy reliance on local government, brokers and subcontractors itself started in reaction to the company's worst disaster: after a wave of suicides among workers in its then largest plant in Shenzhen in 2010 triggered global scrutiny, management tried to tweak its factory town model.

One conclusion was that it would no longer own and manage all facilities itself. Foxconn founder Terry Gou at the time also pledged to replace many workers with robots, and demanded that customers should shoulder a larger part of the financial burden needed to keep an increasingly demanding workforce happy.

But the only big change made was shifting production inland, where wages are still lower than in China's more developed coastal provinces.

But the Zhengzhou pandemonium indicates that even this set-up is unsustainable. Foxconn chair Young Liu told investors this month that the expansion of manufacturing outside China was driven by geopolitics rather than the zero-Covid policy. But industry insiders said the factory turmoil was set to accelerate Apple's efforts to diversify its supply chain.

Although Foxconn and its smaller peers have set up factories in Vietnam, Indonesia and India, that capacity is tiny compared with China.

"We are probably just at a 10 to 15 per cent completion rate if we are expecting south-east Asia and India capacity to be on par with China," said Patrick Chen, head of research at CLSA in Taiwan.

"It will be very difficult to ramp this up, but now Apple has a stronger incentive," said a senior executive at a rival iPhone assembler. "The lesson from this has to be that sourcing must be more spread out."

Reporting by Kathrin Hille in Taipei, Nian Liu and Ryan McMorrow in Beijing, and Qianer Liu and Gloria Li in Hong Kong

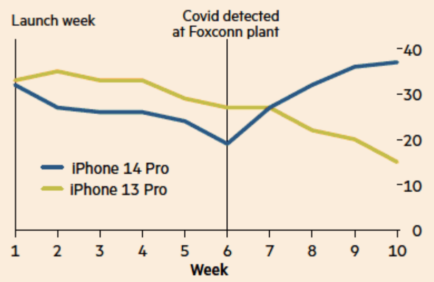


Staff members wearing protective equipment arrange medicines at a temporary clinic at the factory
VCG/Getty Images

'What the debacle really shows you is systemic weaknesses'

'They came up with an idea yesterday, then they changed it today, and maybe will change it again tomorrow'

US wait times for iPhone
Launch to Week 10 (number of days)



Source: Counterpoint Research

Automobiles

Ford pumps £150mn into UK parts facility

PETER CAMPBELL — HALEWOOD

Ford is to invest £150mn in its Halewood plant in Liverpool to expand production of electric vehicle parts, in a move that secures the site's future and gives a boost to the UK car industry following a dismal year.

The investment means that by 2026 more than two-thirds of electric vehicles made by Ford in Europe will rely on parts manufactured at Halewood, which employs 500 people.

The renewed backing for the plant comes on top of a £230mn investment Ford made last year and as the US company prepares to switch to selling only electric cars in the UK and Europe by 2030, and electric vans by 2035.

Last year's investment gave the plant the capacity to make 250,000 so-called electric drive units, which contain an electric gearbox and link the battery and wheels. The injection of another £150mn into the plant, which currently makes parts for internal combustion engines, will lift that capacity to 420,000 a year, starting from 2024.

"[Halewood] is playing a critical part as our first in-house investment in EV component manufacturing in Europe," said Ford's European operations director Kieran Cahill.

The decision is a welcome fillip for the UK auto industry, which is racing to attract investment to build the infrastructure needed before the sale of new petrol and diesel models is banned in the UK in 2030. Last year, the industry secured a £1bn investment from Nissan and its battery partner Envision AESC to turn a site in Sunderland into a global electric car hub. Stellantis also pledged £100mn to make electric vans at Ellesmere Port.

Halewood 'is playing a critical part as our first in-house investment in EV component manufacturing in Europe'

But this year has been disappointing, with BMW confirming the end of electric Mini production in Oxford and UK start-ups Arrival and Britishvolt facing funding and production troubles.

The Society of Motor Manufacturers and Traders this week cut its production forecast for the sector through to 2025, warning that more government support was required as the industry confronted rising energy costs and the need for more training for staff and apprentices.

The industry "needs swift and decisive action that addresses the immediate challenges and gives us a fighting chance of winning the global competition", said SMMT chief executive Mike Hawes.

Some £24mn of Ford's new investment will be allocated to the company's Dunton centre in Basildon, which will prepare prototypes of the modules and will train Halewood staff to produce the new electric drive units. The units made at Halewood will be used in the electric Puma car as well as Ford's range of electric Transit and Tourneo vans.

The Halewood investment was underpinned by loan guarantees from UK export finance.

International trade secretary Kemi Badenoch said: "Boosting electric car production is key to our strategy to combat climate change and today's news demonstrates how our manufacturing industry, our exports and our economy will benefit from this transition."

Advertisement

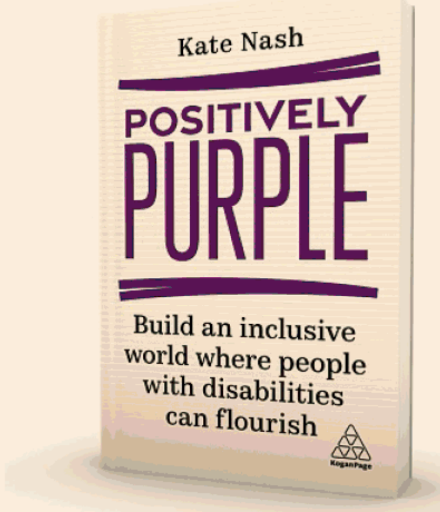
Celebrating the economic contribution of employees with disabilities around the world

PURPLE LIGHTUP
Powered by PurpleSpace

Since 2017, #PurpleLightUp has been providing employers with the opportunity to showcase the contribution of disabled employees to economies across the world.

Held annually on 3rd December, PurpleSpace leads this global movement as a mark of respect to the UN International Day of Persons with Disabilities.

Get involved: purplespace.org/purple-light-up



To learn more about how to build an inclusive world where people with disabilities can flourish, read *Positively Purple*, written by #PurpleLightUp's founder, Kate Nash: koganpage.com/pp

PurpleSpace

This advertising space is donated by the Financial Times

COMPANIES & MARKETS

Derivatives. Volatility fears

Fund managers flock to US equity options with fleeting lifespans

Concerns grow over trading swings as 'zero-day' S&P 500 index contract volumes surge

ERIC PLATT AND NICHOLAS MEGAW
NEW YORK



Wild intraday swings: while traders tracking equities indices may also purchase exchange traded funds, options are cheaper to buy but could be exacerbating volatility — Seth Wenig/AP

Professional traders are plunging into options bets on daily moves in US equities, activity that some experts believe has contributed to recent wild swings in stock markets.

Record numbers of so-called zero-day options that track the S&P 500 stock index are changing hands — with volumes of about 1.5mn a day in November — more than double the levels in January and almost four times those at the start of 2020, according to OptionMetrics.

Options provide the right to buy or sell assets at a fixed price by a given date. Zero-day options provide this right for the shortest possible period, expiring the same day they are purchased.

While options trading has risen broadly since the start of the pandemic, Goldman Sachs strategist Rocky Fishman said ultra-short-dated options have been "the strongest area of volume growth".

He estimated that about 44 per cent of S&P 500 index options that have been traded in the third and fourth quarter of this year had less than one day to expiry.

The vast majority of the volumes appear to be flowing from professional traders such as asset managers, hedge funds and banks and not retail investors, research shows.

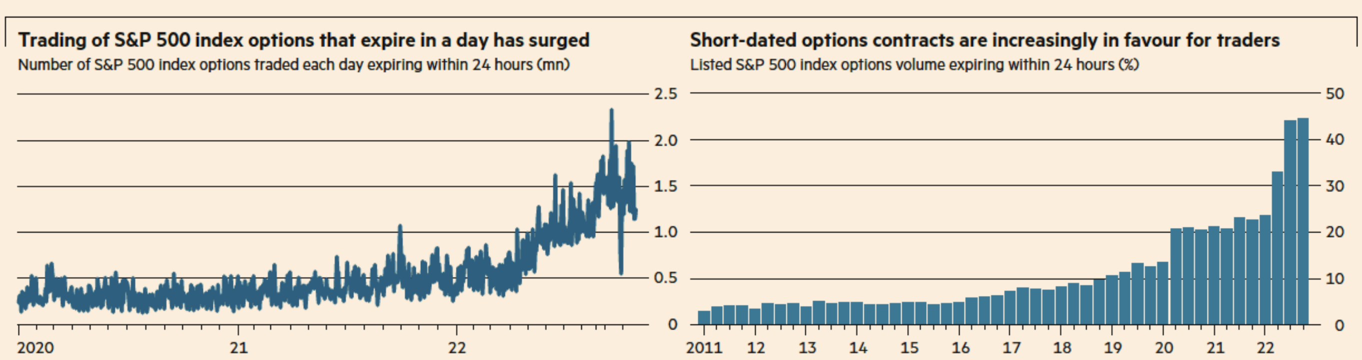
"If I have monthly options, I get 12 independent bets per year," said Roni Israelov, chief investment officer at wealth management firm NDVR and a former manager of options strategies at AQR. "If I have weekly, I get 52 bets per year. Daily gives me 252. If you're generating trading strategies, the ability to have more 'at bats' and more diversification by taking more independent trades can be useful."

Buying a zero-day option is a way to gain exposure to intraday price moves with a potential payout in cash. Options sellers collect a premium to bear price risks for a relatively short period.

While traders tracking equities indices may also purchase exchange traded funds, which are baskets that hold individual stocks, or own company shares themselves, options are cheaper to buy and the positions do not need unwinding after the contracts expire.

The contracts have been appealing in recent bouts of market volatility, allowing funds to focus trades on specific events such as monthly inflation data releases or days when the US Federal Reserve concludes its monetary policy meetings.

"Trying to predict where we'll be in six months is a daunting task because [at the moment] every day feels like five days in itself," said Brian Bost, head of equity derivatives trading at Barclays. "Because the Fed is data-driven, it's creating more front-loading of expression of views, because people are trying to navigate the next week or next couple of days."



Sources: Goldman Sachs; OptionMetrics

Some have pointed to the surge in options trading as one propellant of the wild intraday market swings registered this year.

Market makers that sell options contracts will hedge their positions to avoid making a bet on the market's direction.

That hedging can, at times, accelerate broader shifts. If market makers sold a large number of call options that would pay out if the S&P 500 were to rise, for example, they could hedge their position by purchasing S&P 500 futures.

Some believe that index futures trading can in turn affect the prices of underlying stocks.

"As options activity goes up, this can create bigger swings," said Garrett DeSimone, head of quantitative research at OptionMetrics.

He said a flurry of recent studies had led to widespread acceptance of the theory that option sellers' so-called gamma exposure could increase volatility but said "the point of contention is working out what is its influence at any given moment".

Nomura analyst Charlie McElligott posited that some financial institutions had been behaving like "full-tilt day traders", trying to "weaponise" the phenomenon to "amplify and 'juice' the intended directional market move".

Traders used a similar tactic to create short squeezes and drive up the price of individual "meme stocks" last year but DeSimone at OptionMetrics believed that "it would be much harder to do that at a sustainable level on an index just because of the size [of the market]".

Strategists across Wall Street have been watching the rise of zero-day options for months, at first thinking it was driven by small day traders through online brokerage accounts.

But research from JPMorgan Chase indicated that retail accounts were not the principal factor behind the surge as they accounted for just 5.6 per cent of trading in S&P 500 index options that expire on the same day they are purchased.

The name "zero-day options" can be confusing as the actual derivatives being traded are weekly contracts that are bought or sold on the day that they expire.

Exchange operator Cboe GlobalMarkets, in attempting to capitalise on the boom in options trading, has spurred momentum in zero-day options by offering new products this year.

FT
Our global team gives you market-moving news and views, 24 hours a day
ft.com/markets

These include weekly options on the S&P 500 index that expire on Tuesdays and Thursdays that complement products that expire on Mondays, Wednesdays and Fridays.

This means investors can trade large sums of options that mature each day of the week, including as zero-day options when they are on the cusp of expiry.

Amy Wu Silverman, a strategist at RBC Capital Markets, said the shift to use options — including ones that expire on the same day — was in part due to the fact many investors lacked real conviction in the market's direction and have reduced leverage.

But, fearful of missing out on an unexpected rebound, traders have turned to the weekly options given their relatively "cheap" cost.

Telecoms

UK watchdog to investigate mobile and broadband in-contract price increases

ANNA GROSS — LONDON

The UK communications regulator has launched an investigation into whether telecoms companies were upfront with customers about in-contract price increases following complaints over a lack of transparency.

Ofcom will examine if mobile and broadband service providers made customers who signed a deal with the company between March 2021 and June 2022 sufficiently aware of changes to their pricing terms.

With inflation soaring as the cost of living crisis intensifies, telecoms groups have come under scrutiny from the regulator and politicians over whether they have acted enough to support struggling households and broken transparency rules. UK inflation hit a 41-year high of 11.1 per cent in October.

Most operators opted to increase their prices significantly above the rate of inflation earlier this year, boosting underlying revenue.

BT, Vodafone and EE, for example, increased their prices in line with the consumer price index, plus 3.9 per cent.

Ofcom said it was concerned that such in-contract price variations were not made "sufficiently prominent or transparent" at the point of sale, as per the regulator's rules.

If cases of non-compliance are identified, Ofcom may launch an investigation into the named operators.

"As millions of people are having to deal with rising household bills, it is more important than ever that telecoms companies don't shirk their responsibilities and keep customers fully informed about what they are signing up to," said Lindsey Fussell, director of the regulator's networks and communications group.



Phone customers need to kept fully informed, warned the UK regulator

Ofcom's latest affordability report, published yesterday, found that 32 per cent of households are having problems paying for their phone, broadband, pay-TV or streaming bills — equating to more than double the level of April 2021.

Dana Tobak, chief executive of Hyperoptic, a broadband provider that opted against increasing its prices above inflation this year, said Ofcom's probe was "a great step forward in preventing the consumer harm of mid-contract price rises".

BT, which also owns EE, said: "We work really hard to make sure that the annual price rise is clearly outlined and discussed at the point of each and every sign-up or renewal," adding that the company also explained to customers how in-contract prices changes worked.

Vodafone said: "We work closely with Ofcom, and will continue to do so in order to support this industry-wide investigation." It added that it will not be increasing prices for its most financially vulnerable customers.

Currencies

Weakening dollar triggers powerful rebound rally for EM stocks and bonds

MARTHA MUIR AND TOMMY STUBBINGTON

Emerging market stocks and bonds are staging a strong rebound as a dollar sell-off and hopes that China will loosen its Covid-19 curbs have helped relieve some of the pressure on developing economies.

JPMorgan's broad gauge of dollar-denominated emerging market debt climbed 7.6 per cent in November, its best month since 1998, while equities tracked by MSCI's EM index rallied 14.6 per cent in US dollar terms, the biggest rise since 2009.

The dollar's ascent in 2022, which at its September peak was up more than 19 per cent against a basket of peers, had previously made it tougher for emerging economies that have borrowed in the US currency to service their debts.

Remarks from US Federal Reserve chair Jay Powell on Wednesday signalling that the central bank would slow the pace of interest rate rises in December also delivered a last-minute boost for both gauges on the final day of the month.

The bumper gains have come as investors respond to signs that this year's rapid interest rate rises in developed economies are set to slow.

Data showing that US inflation fell more than expected in October triggered a rally in bonds and equities of all stripes but emerging assets have performed particularly well.

"It does seem like the Federal Reserve may stop hiking interest rates, which has led to inflows into emerging markets," said David Hauner, head of emerging market strategy and economics at Bank of America. "Things get priced in ahead of time and there's a fear-of-missing-out effect when people start to see prices moving."

> 'This is a market that has been beaten up so when you have buyers coming in, it makes a big impact'

Interest rate rises in the US and Europe have triggered record outflows from EM assets this year — bonds have fallen 18 per cent on a total return basis in the year to date, while equity prices have slipped 21 per cent — but there are signs the tide is beginning to turn.

In mid-November, a small weekly inflow into emerging world debt interrupted a string of outflows stretching back to August, according to JPMorgan's analysis of data from EPFR, a research company.

Figures from the bank show that $85bn have flowed out of EM bond funds this year, the biggest annual total since measurements began in 2005.

"The big outflows seem to have stopped," said Viktor Szabo, an EM debt portfolio manager at Abrdn. "This is a market that for months has been beaten up with low liquidity so when you finally have some buyers coming in, that's going to make a big impact."

A wave of investor optimism that China could relax its zero-Covid policies further bolstered the rallies.

But Szabo added: "There's still plenty of uncertainty about how EM weathers the global recession next year."

Previous dollar strength had helped push a swath of countries to the brink of default and forced the likes of Sri Lanka to restructure their debts.

The day in the markets

What you need to know

- Dollar sinks, with investors increasing bets on slower Fed rate rises
- Sterling, yen and euro jump as reports point to easing US inflationary pressure
- Treasuries rally strongly following Powell's more dovish messaging

The dollar has fallen as inflation fears have ebbed

US Dollar index



Source: Bloomberg

The dollar sold off yesterday after a closely watched measure of inflation came in lower than expected and a speech from Jay Powell raised hopes that the US Federal Reserve would soon slow its rate rises.

A measure of the dollar against half a dozen peers fell 0.7 per cent in afternoon dealings in New York.

The pound jumped 1.5 per cent to $1.2240, with the euro rising 0.8 per cent and Japan's yen rallying 1.7 per cent.

Yesterday's fall in the dollar is the latest sign of a shift in market expectations for the path of Fed rate rises — an issue that has dominated global markets this year.

A report in mid-November showed US inflation eased in October to the lowest rate since January, fuelling hopes that the central bank will slow its rate increases.

"The market has taken the view that inflation is already history and that the Fed will pivot pretty soon and that rate hikes will diminish from December onwards," said Didier Rabattu, head of equities at Lombard Odier Investment Management.

Powell reinforced talk that the Fed would take a more dovish approach with a speech late on Wednesday, in which he said: "The time for moderating the pace of rate increases may come as soon as the December meeting."

A pair of reports reinforced the view that US inflation may finally be slowing. The US core personal consumption expenditures index, the Fed's preferred inflation gauge, rose 0.2 per cent in October from the previous month, according to data from the commerce department. Wall Street had expected an increase of 0.3 per cent.

A survey from the Institute for Supply Management showed cost pressures in the US's manufacturing industry were cooling at the fastest pace since 2020.

Trading in the futures market shows investors now expect the Fed to raise its main interest rate to about 4.9 per cent in June next year — from a high of 5.14 per cent in early November.

US government bonds rallied strongly as Powell's more dovish messaging filtered into fixed income markets.

The 10-year Treasury yield fell 13 basis points to 3.57 per cent.

In equities, the benchmark US S&P 500 fell 0.3 per cent after posting its first back-to-back monthly gains since 2021 and the Nasdaq Composite fell by roughly the same margin.

Across the Atlantic, the pan-regional Stoxx Europe 600 index rose 0.9 per cent.
George Steer

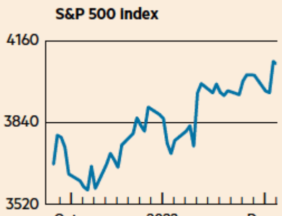
Markets update

	US	Eurozone	Japan	UK	China	Brazil
Stocks	**S&P 500**	**Eurofirst 300**	**Nikkei 225**	**FTSE100**	**Shanghai Comp**	**Bovespa**
Level	4071.16	1754.46	28226.08	7558.49	3165.47	110993.87
% change on day	-0.22	0.74	0.92	-0.19	0.45	-1.33
Currency	**$ index (DXY)**	**$ per €**	**Yen per $**	**$ per £**	**Rmb per $**	**Real per $**
Level	105.201	1.049	135.930	1.227	7.079	5.186
% change on day	-0.707	1.845	-2.587	3.023	-0.891	-1.379
Govt. bonds	**10-year Treasury**	**10-year Bund**	**10-year JGB**	**10-year Gilt**	**10-year bond**	**10-year bond**
Yield	3.565	1.811	0.246	3.097	2.893	12.350
Basis point change on day	-20.970	-12.000	0.060	-5.800	-2.200	-10.400
World index, Commods	**FTSE All-World**	**Oil - Brent**	**Oil - WTI**	**Gold**	**Silver**	**Metals (LMEX)**
Level	418.91	87.76	81.77	1753.50	21.56	3923.50
% change on day	0.70	4.17	4.57	0.05	0.91	2.63

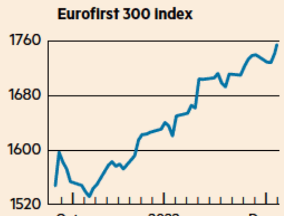
Yesterday's close apart from: Currencies = 16:00 GMT; S&P, Bovespa, All World, Oil = 17:00 GMT; Gold, Silver = London pm fix. Bond data supplied by Tullett Prebon.

Main equity markets

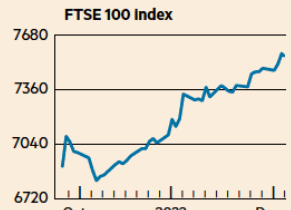
S&P 500 index



Eurofirst 300 index



FTSE 100 index



Biggest movers

%	US		Eurozone		UK	
Ups	Etsy	4.25	Cap Gemini	4.65	Ocado	6.78
	Moderna	4.24	Dassault Systemes	4.50	Intermediate Capital	6.24
	Vf	4.08	Grifols	3.89	Schroders	4.75
	Lumen	3.93	Vivendi	3.71	Prudential	3.74
	Netflix	3.81	Telecom Italia	3.69	Scottish Mortgage Investment Trust	3.48
Downs	Salesforce	-10.23	Ucb	-6.43	Pearson	-5.18
	Dollar General	-8.51	Caixabank	-4.01	Rolls-royce Holdings	-4.39
	Costco Wholesale	-6.54	B. Sabadell	-3.78	Standard Chartered	-3.66
	Archer Daniels Midland	-6.26	Unicredit	-3.64	Anglo American	-3.11
	Generac Holdings	-3.38	Commerzbank	-2.97	Shell	-2.54

Prices taken at 17:00 GMT. Based on the constituents of the FTSE Eurofirst 300 Eurozone. All data provided by Morningstar unless otherwise noted.

Wall Street

Cloud software group **Salesforce** sank following the announcement that co-chief executive Bret Taylor would be stepping down in January in a move described as "unexpected" by Bank of America.

Taylor had not been in this role long, having been promoted in November last year.

The news came as Salesforce reported better than expected earnings and revenue for the third quarter, although its decision not to offer guidance for its 2024 revenue worried UBS, which speculated that this was evidence of sales volatility or a "steep bookings deceleration".

Discount store chain **Dollar General** fell sharply following a cut to its outlook.

It now expected growth in earnings per share to land between 7 per cent and 8 per cent for its fiscal 2022 year, down from a 12 per cent to 14 per cent range stated in August.

Takeover chatter pushed **Nutanix** higher, with Bloomberg reporting that IT stalwart Hewlett Packard Enterprise had expressed interest in the cloud computing group. This followed a Wall Street Journal report in October that said Nutanix was exploring a sale.

Private equity group **Blackstone** slid after limiting investor withdrawals at its $125bn real estate investment fund amid a surge in redemption requests from investors. *Ray Douglas*

Europe

A discounted share sale weighed on **Adevinta**, the online advertising company.

Norwegian media group Schibsted, which is a major shareholder, revealed that it had sold about 24.5mn shares, equivalent to a 2 per cent stake, for NKr70 per share — a 9 per cent discount to Wednesday's closing price.

Schibsted remained Adevinta's largest shareholder following the sale, with eBay at number two, according to data provided by Refinitiv.

Dutch food and biochemicals group **Corbion** leapt after raising its 2025 guidance for growth in organic net sales.

The company's goal of achieving growth in organic adjusted core profits of between 15 and 20 per cent annually also topped the 12 per cent forecast by KBC Securities.

Corbion has earned an "accumulate" rating from the broker, which viewed the group as an "intrinsically defensive . . . business" with a "market-leading technology position".

French IT services group **Atos** rallied on news that it had signed an agreement with Amazon Web Services to help its customers migrate to the cloud.

This partnership would involve the upskilling of staff, with Atos planning to train its employees to achieve more than 20,000 AWS certifications. *Ray Douglas*

London

The **Mortgage Advice Bureau** fell sharply after the financial services group said adjusted pre-tax profit would be "slightly below market expectations" for the year owing to "adverse market conditions".

This situation was triggered by the "mini" Budget in late September, which "had a direct negative impact on the mortgage market, including . . . the withdrawal of many mortgage products by lenders, a rapid tightening in underwriting and reducing availability of credit".

Consequently, written business by the bureau in October and November was 50 per cent below expected levels.

A chunky drop in profits weighed on **Peel Hunt**, with the mid-cap broker posting a half-year pre-tax profit of £100,000, down from £29.5mn in the same period a year earlier.

Steven Fine, chief executive, said equity capital markets activity during the six months had "been at a multi-decade low".

Education software provider **Tribal** dived after revealing that its Nanyang Technology University contract was now expected to generate a loss of about £12mn during its life.

Tribal warned back in August that, because of "earlier Covid-19-related travel restrictions, the timelines for this contract increased, which in turn increased costs".
Ray Douglas

Time for a reset of opportunities opened up by crypto



Robin Vince

Markets Insight

Events of the past few weeks offer a cautionary tale to anyone following the crypto space. Blockchain technology and its resulting crypto assets were built on the promise of a revolution in finance but, amid the latest market disruption, it's time for a reset and review of the opportunity.

Cryptocurrencies have dominated the headlines but they are a small part of the world of digital assets. To fully realise the untapped potential of the emerging digital asset ecosystem, it is incumbent on leaders of the public and private sectors to work together to accelerate a smart regulatory framework that unites the traditional and digital asset systems, rooted in two fundamental principles.

The first is a recognition that regulation should enable the financial industry to prudently embrace innovations.

Over the past two centuries, the world has seen many generations of financial technologies. Digital ledger representations of traditional assets such as cash, bonds and equities could be an important progression as the original computer ledgers and real-time payments were from paper before them.

This can lead to improvements in accuracy of record-keeping, easier handling of certain asset types, such as real estate and loans, and speedier, more efficient settlement.

The distributed ledger technology underlying cryptoassets can be used to underpin new market infrastructure that offers benefit to the financial system. The central bank digital currencies and tokenised bonds being explored by major jurisdictions are just a few examples of the efforts to harness the benefits of this new technology.

Just last month, the US Federal Reserve Bank of New York and Monetary Authority of Singapore announced a joint effort to investigate how wholesale central bank digital currencies can improve the efficiency of cross-border wholesale payments involving multiple currencies. Exploration and innovation around digital ledger technology should thus be encouraged, not punished, in future regulatory frameworks.

The second principle is to maintain the basic tenets of client protection, orderly markets and clear regulatory guidelines — regardless of the new technology, asset class or type of entity servicing it. Our established frameworks for

> The central bank digital currencies and tokenised bonds are just a few examples of the benefits

market health and safety in the US were born out of a series of depressions.

While the progression of banking and securities regulation has not always been linear, it has remained rooted in these tenets. Digital assets operating outside those principles risk undermining the broader financial system.

The fallout from commingled client assets, poor disclosure and missing internal controls should remind us that, while the cast of characters and products may change, the script of financial market disorder is painfully familiar.

Although technology has evolved, certain established concepts should apply to all market participants and assets, regardless of their technological wrapper. These include good governance, client asset segregation, clear record-keeping, security and technology standards, capital and liquidity requirements, limits on extreme leverage, anti-money laundering protections, strong risk management and regulatory guardrails.

Today, banking institutions already operate within a perimeter of regulation. While conferring both privileges and obligations, this perimeter breathes what is arguably the most important currency into the global financial system: trust. Investor and public sector confidence derive from the knowledge that the game has rules.

Without trust in our financial system, we will have nothing useful. Worse still, without the resulting confidence in the system, we may suppress the opportunity to embrace an technology that could help move the industry forward.

With a majority of institutional investors interested in tokenisation, distributed ledger technology may represent the next financial frontier.

Certain elements of the digital asset space have conflated disruptive innovation with generally disruptive behaviour but they should not be allowed to spoil the opportunity for everyone else.

A comprehensive regulatory framework is needed but much of the underpinning already exists and can be extended from the regulation of traditional assets. There is a path to be found.

We should embrace digital asset innovation and align it to established rules and measured regulatory principles in order to protect customers and promote resiliency. In so doing, we also protect the most precious asset of all — confidence in our financial system.

Robin Vince is chief executive and president of BNY Mellon

FT ADVISER

RDR: State of the advice market 10 years on

24 January 2023 | Morning briefing
London

It is now 10 years since the Retail Distribution Review came into effect, ushering in the biggest change to the adviser marketplace since depolarisation in 2004.

Over the past decade, we have seen the rise in adviser professionalism, increasing transparency on fees and a strong focus on consumer outcomes. But we have also witnessed an ever-widening advice gap, caused by an initial outflow of advisers and the removal of commission; a tightening professional indemnity insurance market and ever-burdensome levies on firms who remain.

This event, brought to you by FTAdviser, will explore how advisers can build on the experience of the past 10 years to succession-proof their businesses for the next 10 years, reach a wider range of clients and use the advances in technology to streamline processes and grow their operations.

Register now at:
rdr.ftadviser.com



Sponsored by
Phoenix
Standard Life
Part of Phoenix Group

An event from the Financial Times

MARKET DATA

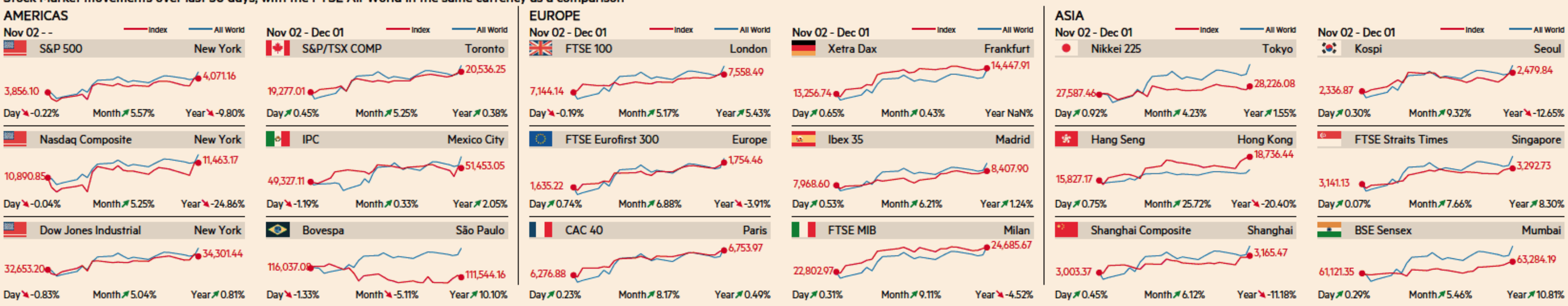
WORLD MARKETS AT A GLANCE

FT.COM/MARKETSDATA

Change during previous day's trading (%)

S&P 500	Nasdaq Composite	Dow Jones Ind	FTSE 100	FTSE Eurofirst 300	Nikkei	Hang Seng	FTSE All World $	$ per €	$ per £	¥ per $	£ per €	Oil Brent $ Sep	Gold $
-0.22%	-0.04%	-0.83%	-0.19%	0.74%	0.92%	0.75%	0.70%	1.845%	3.023%	-2.587%	-1.156%	1.56%	0.05%

Stock Market movements over last 30 days, with the FTSE All-World in the same currency as a comparison



Country	Index	Latest	Previous
Argentina	Merval	169101.87	168998.17
Australia	All Ordinaries	7554.00	7480.70
	S&P/ASX 200	7354.40	7284.20
	S&P/ASX 200 Res	6132.50	6016.10
Austria	ATX	3212.68	3231.49
Belgium	BEL 20	3697.81	3684.98
	BEL Mid	9500.26	9468.49
Brazil	IBovespa	110993.87	112486.01
Canada	S&P/TSX 60	1243.36	1239.79
	S&P/TSX Comp	20544.62	20453.26
	S&P/TSX Div Met & Min	1511.74	1455.65
Chile	S&P/CLX IGPA Gen	28258.69	28431.30
China	FTSE A200	10318.02	10206.28
	FTSE B35	9000.71	8988.96
	Shanghai A	3317.90	3303.10
	Shanghai B	291.14	289.82
	Shanghai Comp	3165.47	3151.34
	Shenzhen A	2138.48	2111.85
	Shenzhen B	1146.60	1145.64
Colombia	COLCAP	1261.61	1260.21
Croatia	CROBEX	2013.05	2011.29
Cyprus	CSE M&P Gen	68.46	68.68
Czech Republic	PX	1214.32	1215.30
Denmark	OMXC Copenahgen 20	1809.17	1784.80
Egypt	EGX 30	13639.73	13259.26
Estonia	OMX Tallinn	1761.20	1759.72
Finland	OMX Helsinki General	11194.89	11069.81
France	CAC 40	6753.97	6738.55
	SBF 120	5179.18	5161.32
Germany	M-DAX	25954.71	25593.23
	TecDAX	3134.82	3069.96
	XETRA Dax	14490.30	14397.04
Greece	Athens Gen	922.00	912.33
	FTSE/ASE 20	2250.37	2222.59
Hong Kong	Hang Seng	18736.44	18597.23
	HS China Enterprise	6384.90	6374.44
	HSCC Red Chip	3594.46	3655.13
Hungary	Bux	46368.37	45984.19
India	BSE Sensex	63284.19	63099.65
	Nifty 500	16003.95	15946.15
Indonesia	Jakarta Comp	7020.80	7081.31
Ireland	ISEQ Overall	7294.78	7268.51
Israel	Tel Aviv 125	1884.01	1895.37
Italy	FTSE Italia All-Share	26706.14	26638.01
	FTSE Italia Mid Cap	40451.23	40012.34
	FTSE MIB	24685.67	24610.29
Japan	2nd Section	7228.27	7239.06
	Nikkei 225	28226.08	27968.99
	S&P Topix 150	1707.76	1705.35
	Topix	1986.46	1985.57
Jordan	Amman SE	2502.06	2492.90
Kenya	NSE 20	1637.55	1643.15
Kuwait	KSX Market Index	6633.44	6603.51
Latvia	OMX Riga	1113.65	1115.21
Lithuania	OMX Vilnius	950.51	946.12
Luxembourg	LuxX	1475.15	1466.37
Malaysia	FTSE Bursa KLCI	1491.51	1488.80
Mexico	IPC	51071.84	51684.86
Morocco	MASI	10910.91	10918.63
Netherlands	AEX	731.74	724.10
	AEX All Share	997.31	987.01
New Zealand	NZX 50	11654.56	11552.04
Nigeria	SE All Share	47660.04	47322.97
Norway	Oslo All Share	1017.37	1006.88
Pakistan	KSE 100	42393.52	42348.63
Philippines	Manila Comp	6734.99	6780.78
Poland	Wig	56740.83	56058.18
Portugal	PSI 20	5927.23	5862.69
	PSI General	4569.53	4491.46
Romania	BET Index	11730.66	11530.21
Russia	Micex Index	2436.57	2445.30
	RTX	1245.71	1212.57
Saudi-Arabia	TADAWUL All Share Index	10896.91	10896.91
Singapore	FTSE Straits Times	3292.73	3290.49
Slovakia	SAX	336.74	336.17
Slovenia	SBI TOP	-	-
South Africa	FTSE/JSE All Share	75020.01	74828.00
	FTSE/JSE Res 20	75989.15	73434.27
	FTSE/JSE Top 40	68867.70	68564.29
South Korea	Kospi	2479.84	2472.53
	Kospi 200	322.02	321.00
Spain	IBEX 35	8407.90	8363.20
Sri Lanka	CSE All Share	8703.79	8651.23
Sweden	OMX Stockholm 30	2125.09	2102.42
	OMX Stockholm AS	814.00	803.40
Switzerland	SMI Index	11238.20	11127.77
Taiwan	Weighted Pr	15012.80	14879.55
Thailand	Bangkok SET	1648.44	1635.36
Turkey	BIST 100	5046.19	5046.19
UAE	Abu Dhabi General Index	9222.93	9251.11
UK	FT 30	2523.10	2514.90
	FTSE 100	7558.49	7573.05
	FTSE 4Good UK	6801.87	6802.71
	FTSE All Share	4141.04	4139.65
	FTSE techMARK 100	6385.89	6345.49
USA	DJ Composite	11461.13	11536.08
	DJ Industrial	34301.44	34589.77
	DJ Transport	14561.81	14649.20
	DJ Utilities	981.47	981.30
	Nasdaq 100	12013.29	12030.06
	Nasdaq Cmp	11463.17	11468.00
	NYSE Comp	15754.23	15780.02
	S&P 500	4071.16	4080.11
	Wilshire 5000	40489.55	40552.42
Venezuela	IBC	14696.26	14152.46
Vietnam	VNI	1036.28	1048.42
Cross-Border	DJ Global Titans ($)	432.16	431.40
	Euro Stoxx 50 (Eur)	3977.38	3964.72
	Euronext 100 ID	1292.77	1286.93
	FTSE 4Good Global ($)	9970.84	9937.53
	FTSE All World ($)	418.91	415.99
	FTSE E300	1754.46	1741.56
	FTSE Eurotop 100	3462.83	3442.79
	FTSE Global 100 ($)	2575.28	2563.80
	FTSE Gold Min ($)	1695.02	1663.73
	FTSE Latibex Top (Eur)	4440.00	4432.20
	FTSE Multinationals ($)	2709.06	2640.83
	FTSE World ($)	760.74	755.40
	FTSEurofirst 100 (Eur)	4669.51	4643.90
	FTSEurofirst 80 (Eur)	5407.98	5373.10
	MSCI ACWI Fr ($)	630.92	617.64
	MSCI All World ($)	2720.89	2663.25
	MSCI Europe (Eur)	1772.64	1760.47
	MSCI Pacific ($)	2617.94	2630.66
	S&P Euro (Eur)	1781.39	1769.29
	S&P Europe 350 (Eur)	1797.33	1784.70
	S&P Global 1200 ($)	3024.66	3013.74
	Stoxx 50 (Eur)	3811.14	3795.90

(c) Closed. (u) Unavaliable. † Correction. ♥ Subject to official recalculation. For more index coverage please see www.ft.com/worldindices. A fuller version of this table is available on the ft.com research data archive.

STOCK MARKET: BIGGEST MOVERS

AMERICA

ACTIVE STOCKS	stock traded m's	close price	Day's change
Tesla	96.4	194.60	-0.10
Apple	48.5	147.65	-0.38
Nvidia	40.0	170.60	1.37
Amazon.com	33.0	96.20	-0.35
Salesforce	28.0	143.86	-16.40
Microsoft	27.8	253.19	-1.95
Netflix	26.5	317.16	11.63
Advanced Micro Devices	24.7	77.02	-0.61
Meta Platforms	21.6	119.73	1.63
Costco Wholesale	19.9	503.96	-35.29

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Etsy	137.71	5.62	4.25
Moderna	183.37	7.46	4.24
Vf	34.16	1.34	4.08
Lumen	5.69	0.22	3.93
Netflix	317.16	11.63	3.81
Downs			
Salesforce	143.86	-16.40	-10.23
Dollar General	233.93	-21.75	-8.51
Costco Wholesale	503.96	-35.29	-6.54
Archer Daniels Midland	91.40	-6.10	-6.26
Generac Holdings	101.95	-3.57	-3.38

Based on the constituents of the S&P500

LONDON

ACTIVE STOCKS	stock traded m's	close price	Day's change
Bp	168.9	489.45	-8.05
Glencore	155.8	556.70	-6.80
Flutter Entertainment	153.5	12040.00	-135.00
Shell	152.2	2382.00	-62.00
Unilever	120.1	4179.50	35.50
Anglo American	117.1	3301.50	-106.00
Astrazeneca	111.4	11200.00	34.00
Rio Tinto	107.7	5598.00	13.00
Hsbc Holdings	89.1	497.90	-11.80
Relx	83.3	2334.00	22.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Bridgepoint	212.60	16.10	8.19
Molten Ventures	421.20	31.20	8.00
Ocado	664.80	42.20	6.78
Intermediate Capital	1268.00	74.50	6.24
Syncona	182.80	10.60	6.16
Downs			
Investec	469.60	-48.60	-9.38
Auction Technology	788.00	-69.00	-8.05
Pearson	943.60	-51.60	-5.18
Ninety One	190.90	-10.30	-5.12
Rolls-royce Holdings	86.93	-3.99	-4.39

Based on the constituents of the FTSE 350 index

EURO MARKETS

ACTIVE STOCKS	stock traded m's	close price	Day's change
Nestle N	401.7	115.47	1.40
Novartis N	398.0	85.39	0.46
Unicredit	350.4	12.55	-0.47
Asml Holding	341.9	580.80	19.70
Roche Gs	308.0	314.77	2.23
Intesa Sanpaolo	239.9	2.08	-0.04
Stellantis	213.1	14.91	0.02
Santander	193.3	2.82	-0.03
Cs N	187.8	2.74	-0.12
Totalenergies	175.7	59.42	-0.89

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Orsted A/s Dk 10	11.97	0.83	7.41
Sartorius Sted Bio	342.90	19.60	6.06
Sartorius Ag Vzo O.n.	374.70	19.70	5.55
Dassault Systemes	36.66	1.58	4.50
Ericsson, Telefonab. L M Ser. A	6.67	0.28	4.32
Downs			
Cs N	2.74	-0.12	-4.36
Unicredit	12.55	-0.47	-3.64
Neste	48.16	-1.18	-2.39
Lvmh	721.60	-15.70	-2.13
Intesa Sanpaolo	2.08	-0.04	-1.77

Based on the constituents of the FTSEurofirst 300 Eurozone index

TOKYO

ACTIVE STOCKS	stock traded m's	close price	Day's change
Eisai Co.,	1113.3	9775.00	443.00
Softbank .	909.7	6047.00	95.00
Tokyo Electron	831.3	46900.00	1810.00
Fast Retailing Co.,	629.0	82780.00	1970.00
Nippon Yusen Kabushiki Kaisha	522.4	3077.00	40.00
Toyota Motor	453.3	1998.50	-12.00
Mitsui O.s.k.lines,	389.7	3355.00	-10.00
Sony	389.2	11325.00	70.00
Mitsubishi Ufj Fin,.	361.6	748.00	-7.10
Nintendo Co.,	348.9	5808.00	-86.00

BIGGEST MOVERS	Close price	Day's change	Day's chng%
Ups			
Eisai Co.,	9775.00	443.00	4.75
Tokai Carbon Co.,	1094.00	47.00	4.49
Advantest	9530.00	400.00	4.38
Shiseido ,	6034.00	235.00	4.05
Tokyo Electron	46900.00	1810.00	4.01
Downs			
Sompo Holdings, .	5828.00	-231.00	-3.81
Sumitomo Realty & Development Co.,	3583.00	-133.00	-3.58
Unitika	259.00	-9.00	-3.36
Takashimaya ,	1727.00	-59.00	-3.30
Japan Post Holdings Co Ltd	1048.50	-29.50	-2.74

Based on the constituents of the Nikkei 225 index

UK MARKET WINNERS AND LOSERS

FTSE 100	Dec 01 price(p)	%Chg week	%Chg ytd
Winners			
Prudential	1016.00	6.9	-
Scottish Mortgage Investment Trust	796.40	4.5	-
Glencore	556.70	3.9	47.5
Rio Tinto	5598.00	3.5	14.2
Antofagasta	1405.50	3.3	5.0
Intermediate Capital	1268.00	3.0	-41.9
Burberry	2151.00	2.7	18.8
Diageo	3846.00	2.6	-5.0
Gsk	1415.40	2.6	-
Astrazeneca	11200.00	2.5	28.7
Endeavour Mining	1756.00	2.5	8.4
Reckitt Benckiser	6038.00	2.4	-4.9
Losers			
Rolls-royce Holdings	86.93	-4.5	-28.6
Bt	120.55	-4.4	-
Pearson	943.60	-4.3	55.4
Severn Trent	2717.00	-4.2	-8.2
Tesco	228.70	-3.7	-
United Utilities	1046.00	-3.7	-4.6
Segro	806.80	-3.6	-
3i	1315.50	-3.1	-9.9
Persimmon	1285.00	-3.1	-55.2
Land Securities	613.20	-2.9	-20.8
Melrose Industries	130.50	-2.4	-16.5
Unite	934.00	-2.3	-

FTSE 250	Dec 01 price(p)	%Chg week	%Chg ytd
Winners			
Vietnam Enterprise Investments	585.00	11.2	-
Puretech Health	286.50	10.0	-4.0
Elementis	116.20	9.2	-
Vinacapital Vietnam Opportunity Fund Ld	439.50	9.1	-
Just	77.10	8.2	-6.8
Discoverie	840.00	7.8	-
Ascential	227.40	6.9	-
Fidelity Emerging Markets	615.40	5.9	-
Fidelity China Special Situations	223.50	5.9	-
Wizz Air Holdings	2300.00	5.7	-45.6
Icg Enterprise Trust	1196.00	5.5	-5.2
Edinburgh Worldwide Investment Trust	184.40	4.8	-
Losers			
Home Reit	51.00	-21.5	-61.3
Wood (john)	132.10	-19.4	-30.0
Petrofac	81.10	-17.0	-
Auction Technology	788.00	-11.9	-
Synthomer	131.60	-10.0	-
Hammerson	23.06	-9.3	-31.2
Currys	76.25	-8.9	-
Lxi Reit	113.80	-8.5	-
Investec	469.60	-7.9	15.0
Pets At Home	265.20	-7.8	-
Renishaw	3758.00	-7.3	-
Workspace	430.60	-7.0	-

FTSE SmallCap	Dec 01 price(p)	%Chg week	%Chg ytd
Winners			
Devro	302.00	57.3	50.6
Trifast	62.00	26.3	-61.6
Record	92.00	22.0	10.0
Carr's	120.00	14.3	-
On The Beach	124.60	13.3	-
Newriver Reit	81.60	13.0	-7.0
Headlam	309.00	12.4	-
Funding Circle Holdings	54.90	10.5	-
Palace Capital	218.00	9.5	-
Topps Tiles	42.40	8.2	-
Oxford Biomedica	406.00	7.8	-
Chrysalis Investments	75.40	7.7	-
Losers			
Superdry	106.00	-16.3	-
Capita	23.80	-13.6	-
Avon Protection	1030.00	-13.1	-
Greencore	63.80	-11.1	-
Reach	105.60	-10.4	-61.6
Ao World	59.00	-10.1	-
Restaurant	29.84	-10.1	-
Lsl Property Services	238.00	-9.2	-45.0
Pod Point Holdings	63.40	-7.1	-
Civitas Social Housing	59.00	-7.1	-
Halfords	197.40	-6.4	-
Capital & Regional	52.80	-6.2	-8.7

Industry Sectors	Dec 01 price(p)	%Chg week	%Chg ytd
Winners			
Industrial Metals	7773.31	3.4	22.3
Beverages	29291.66	2.5	-5.8
Pharmaceuticals & Biotech.	20782.88	2.3	10.6
General Retailers	3274.33	2.2	13.2
General Financial	13103.64	2.2	13.4
Life Insurance	6738.07	1.9	-
Mining	11083.53	1.6	-
Oil & Gas Producers	8345.20	1.6	46.0
Tobacco	36711.90	1.5	25.3
Personal Goods	33811.78	1.3	-5.9
Health Care Equip.& Services	11005.70	1.2	33.4
Electricity	10642.52	0.9	6.0
Losers			
Real Estate Investment Trusts	2273.41	-4.3	-
Electronic & Electrical Equip.	9256.96	-2.2	-
Mobile Telecommunications	2320.75	-1.8	-
Household Goods	10192.99	-1.5	-
General Industrials	6208.96	-1.2	-
Construction & Materials	6854.15	-1.1	-
Chemicals	12062.75	-1.1	-
Real Estate & Investment Servic	2264.56	-1.0	-
Software & Computer Services	1908.54	-0.9	-
Gas Water & Multiutilities index	5823.56	-0.7	-2.2
Nonlife Insurance	3225.62	-0.6	-1.8
Industrial Engineering	14704.80	-0.6	-20.8

Based on last week's performance. †Price at suspension.

CURRENCIES

Dec 1	Currency	DOLLAR Closing Mid	DOLLAR Day's Change	EURO Closing Mid	EURO Day's Change	POUND Closing Mid	POUND Day's Change
Argentina	Argentine Peso	167.6860	0.4256	175.8434	3.6230	205.6992	6.5086
Australia	Australian Dollar	1.4683	-0.0249	1.5397	0.0023	1.8012	0.0229
Bahrain	Bahrainin Dinar	0.3770	-	0.3953	0.0072	0.4625	0.0135
Bolivia	Bolivian Boliviano	6.9100	-	7.2461	0.1312	8.4764	0.2473
Brazil	Brazilian Real	5.1863	-0.0725	5.4386	0.0239	6.3620	0.0993
Canada	Canadian Dollar	1.3430	-0.0128	1.4083	0.0124	1.6474	0.0329
Chile	Chilean Peso	879.3000	-16.9550	922.0751	-0.7576	1078.6310	11.2795
China	Chinese Yuan	7.0793	-0.0637	7.4237	0.0689	8.6841	0.1776
Colombia	Colombian Peso	4781.5500	-35.7200	5014.1575	54.0344	5865.4948	128.5992
Costa Rica	Costa Rican Colon	600.6000	2.0100	629.8172	13.4766	736.7517	23.8900
Czech Republic	Czech Koruna	23.2489	-0.3984	24.3799	0.0313	28.5193	0.3576
Denmark	Danish Krone	7.0920	-0.1318	7.4370	-0.0010	8.6996	0.0969
Egypt	Egyptian Pound	24.5652	0.0414	25.7602	0.5092	30.1340	0.9285
Hong Kong	Hong Kong Dollar	7.7790	-0.0265	8.1574	0.1205	9.5424	0.2469
Hungary	Hungarian Forint	392.3140	-5.8068	411.3987	1.4721	481.2487	7.1261
India	Indian Rupee	81.2244	-0.2119	85.1757	1.3245	99.6374	2.6548
Indonesia	Indonesian Rupiah	15562.5000	-169.0000	16319.5765	121.5721	19090.4179	355.7219
Israel	Israeli Shekel	3.3921	-0.0582	3.5571	0.0045	4.1611	0.0521
Japan	Japanese Yen	135.9300	-3.6100	142.5425	-1.1354	166.7444	0.5660
..One Month		135.9294	-3.6112	142.5423	-1.1358	166.7439	0.5649
..Three Month		135.9283	-3.6133	142.5418	-1.1369	166.7428	0.5628
..One Year		135.9232	-3.6240	142.5388	-1.1431	166.7439	0.5581
Kenya	Kenyan Shilling	122.5500	0.1000	128.5117	2.4305	150.3312	4.5053
Kuwait	Kuwaiti Dinar	0.3070	-0.0011	0.3219	0.0047	0.3766	0.0097
Malaysia	Malaysian Ringgit	4.4050	-0.0425	4.6193	0.0399	5.4036	0.1070
Mexico	Mexican Peso	19.1460	-0.2275	20.0774	0.1294	23.4863	0.4143
New Zealand	New Zealand Dollar	1.5683	-0.0418	1.6446	-0.0132	1.9238	0.0064
Nigeria	Nigerian Naira	444.0000	-	465.5992	8.4327	544.6516	15.8914
Norway	Norwegian Krone	9.7490	-0.2222	10.2232	-0.0436	11.9590	0.0843
Pakistan	Pakistani Rupee	223.9500	-0.1000	234.8444	4.1505	274.7179	7.8964
Peru	Peruvian Nuevo Sol	3.8275	-0.0182	4.0137	0.0540	4.6952	0.1153
Philippines	Philippine Peso	56.1950	-0.3650	58.9287	0.6915	68.9340	1.5766
Poland	Polish Zloty	4.4653	-0.0746	4.6825	0.0079	5.4775	0.0709
Romania	Romanian Leu	4.7025	-0.0910	4.9312	-0.0043	5.7685	0.0600
Russia	Russian Ruble	61.6500	0.7500	64.6491	1.9431	75.6256	3.0997
Saudi Arabia	Saudi Riyal	3.7595	0.0002	3.9424	0.0717	4.6118	0.1349
Singapore	Singapore Dollar	1.3556	-0.0147	1.4215	0.0106	1.6629	0.0310
South Africa	South African Rand	17.6013	0.6038	18.4575	0.9560	21.5914	1.3490
South Korea	South Korean Won	1299.8500	-19.0000	1363.0834	5.1242	1594.5169	23.8963
Sweden	Swedish Krona	10.3564	-0.3074	10.8602	-0.1199	12.7041	0.0045
Switzerland	Swiss Franc	0.9391	-0.0136	0.9848	0.0038	1.1520	0.0174
Taiwan	New Taiwan Dollar	30.6260	-0.2795	32.1159	0.2939	37.5687	0.7633
Thailand	Thai Baht	34.9700	-0.2950	36.6712	0.3604	42.8974	0.9003
Tunisia	Tunisian Dinar	3.2042	-0.0542	3.3600	0.0051	3.9305	0.0502
Turkey	Turkish Lira	18.6345	0.0406	19.5410	0.3957	22.8588	0.7153
United Arab Emirates	UAE Dirham	3.6731	0.0000	3.8517	0.0698	4.5057	0.1315
United Kingdom	Pound Sterling	0.8152	-0.0245	0.8549	-0.0097	-	-
..One Month		0.8154	-0.0245	0.8547	-0.0097	-	-
..Three Month		0.8155	-0.0245	0.8545	-0.0097	-	-
..One Year		0.8160	-0.0246	0.8533	-0.0097	-	-
United States	United States Dollar	-	-	1.0486	0.0190	1.2267	0.0358
..One Month		-	-	1.0484	-0.1423	1.2268	0.0358
..Three Month		-	-	1.0479	-0.1423	1.2270	0.0358
..One Year		-	-	1.0460	-0.1422	1.2275	0.0357
Vietnam	Vietnamese Dong	24510.0000	-135.0000	25702.3818	326.5016	30066.3263	716.5414
European Union	Euro	0.9536	-0.0176	-	-	1.1698	0.0132
..One Month		0.9533	-0.0176	-	-	1.1697	0.0132
..Three Month		0.9529	-0.0176	-	-	1.1694	0.0132
..One Year		0.9510	-0.0175	-	-	1.1682	0.0132

Rates are derived from WM Reuters Spot Rates and MorningStar (latest rates at time of production). Some values are rounded. Currency redenominated by 1000. The exchange rates printed in this table are also available at www.FT.com/marketsdata

FTSE ACTUARIES SHARE INDICES

UK SERIES www.ft.com/equities

Produced in conjunction with the Institute and Faculty of Actuaries

	£ Strlg Dec 01	Day's chge%	Euro Index	£ Strlg Nov 30	£ Strlg Nov 29	Year ago	Div yield%	Cover	P/E ratio	X/D adj	Total Return
FTSE 100 (100)	7558.49	-0.19	6877.36	7573.05	7512.00	7168.68	3.60	1.62	17.10	265.96	7759.82
FTSE 250 (250)	19409.42	1.28	17660.35	19163.33	19186.16	22912.73	3.10	0.74	43.41	528.99	16140.27
FTSE 250 ex Inv Co (173)	19883.39	1.18	18091.61	19651.36	19710.49	23675.20	3.21	1.28	24.45	559.37	16869.94
FTSE 350 (350)	4181.79	0.02	3804.96	4180.85	4152.78	4108.89	3.53	1.51	18.78	142.20	8518.80
FTSE 350 ex Investment Trusts (270)	4118.08	-0.06	3746.98	4120.64	4092.47	3997.48	3.58	1.68	16.63	142.45	4335.59
FTSE 350 Higher Yield (132)	3580.59	-0.54	3257.93	3599.88	3579.66	3223.67	4.98	1.74	11.56	163.64	8229.78
FTSE 350 Lower Yield (218)	4361.49	0.60	3968.46	4335.27	4301.19	4762.93	2.03	0.94	52.66	91.51	5369.73
FTSE SmallCap (236)	6254.95	0.46	5691.29	6226.46	6211.34	7267.57	3.41	0.07	402.66	202.11	10517.54
FTSE SmallCap ex Inv Co (126)	5007.28	0.55	4556.05	4979.87	4996.82	6018.34	3.57	2.37	11.82	155.17	8751.65
FTSE All-Share (586)	4141.04	0.03	3767.87	4139.65	4112.30	4089.19	3.52	1.47	19.24	140.60	8518.48
FTSE All-Share ex Inv Co (396)	4042.93	-0.05	3678.61	4045.11	4018.01	3937.67	3.58	1.69	16.54	139.65	4321.63
FTSE All-Share ex Multinationals (523)	1090.11	0.74	824.60	1082.15	1081.84	1318.79	3.89	0.89	28.89	39.94	2321.75
FTSE Fledgling (81)	11588.23	0.11	10543.96	11576.01	11583.48	13194.60	3.78	4.36	6.07	357.38	25110.23
FTSE Fledgling ex Inv Co (31)	15053.20	-0.71	13696.69	15161.40	15144.38	17566.06	3.56	7.64	3.67	448.06	31647.21
FTSE All-Small (317)	4360.77	0.44	3967.80	4341.74	4331.92	5061.29	3.43	0.33	88.40	140.60	9404.93
FTSE All-Small ex Inv Co (157)	3766.66	0.50	3427.23	3747.74	3759.88	4522.38	3.57	2.55	10.96	116.58	8337.46
FTSE AIM All-Share (756)	850.56	0.23	773.91	848.59	844.22	1196.05	1.62	1.74	35.34	13.06	999.64
FTSE All-Share Technology (21)	2041.56	1.74	1722.32	2006.74	2000.66	2330.67	1.88	0.89	59.74	39.63	2957.15
FTSE All-Share Telecommunications (6)	1513.40	-0.28	1276.74	1517.65	1523.38	1832.90	7.01	1.03	13.88	99.22	2314.09
FTSE All-Share Health Care (14)	14484.59	0.56	12219.59	14403.78	14334.64	12661.42	2.59	1.05	36.76	374.42	13415.53
FTSE All-Share Financials (254)	4574.77	-0.04	3859.40	4576.53	4559.70	4841.82	3.69	1.03	26.29	164.19	5089.36
FTSE All-Share Real Estate (55)	836.43	0.92	738.17	828.82	841.19	1213.16	4.19	3.68	6.48	32.85	881.33
FTSE All-Share Consumer Discretionary (84)	4630.30	0.26	3906.25	4618.52	4575.10	5267.65	2.36	1.18	36.06	107.00	4910.88
FTSE All-Share Consumer Staples (24)	19941.85	0.71	16823.48	19800.76	19700.83	19003.54	3.83	1.13	23.05	692.67	18285.75
FTSE All-Share Industrials (83)	6364.95	0.78	5369.65	6315.73	6301.93	7221.03	2.26	1.30	34.19	135.51	7368.48
FTSE All-Share Basic Materials (22)	9281.23	-0.84	7829.90	9359.89	9194.54	7971.91	5.86	2.00	8.54	537.40	12650.58
FTSE All-Share Energy (13)	8629.43	-2.15	7280.02	8819.20	8682.95	5912.78	3.48	2.74	10.46	302.44	10499.54
FTSE All-Share Utilities (10)	8684.66	1.24	7326.61	8578.30	8517.54	8382.18	4.43	0.57	39.47	373.12	13241.93
FTSE All-Share Software and Computer Services (18)	2200.16	1.71	1856.11	2163.25	2159.50	2502.27	1.89	0.88	60.20	43.04	3371.93
FTSE All-Share Technology Hardware and Equipment (3)	5338.78	2.46	4503.94	5210.63	5028.47	6805.25	1.66	1.19	50.38	78.21	6899.93
FTSE All-Share Telecommunications Equipment (1)	634.85	1.07	535.58	628.14	629.04	641.76	1.94	2.31	22.37	11.51	907.46
FTSE All-Share Telecommunications Service Providers (5)	2317.24	-0.35	1954.89	2325.26	2334.31	2826.43	7.26	1.01	13.63	157.08	3229.42
FTSE All-Share Health Care Providers (3)	11143.00	0.97	9400.53	11035.79	11024.93	8138.89	0.52	4.88	39.15	58.27	10342.50
FTSE All-Share Medical Equipment and Services (2)	5466.63	-0.24	4611.79	5479.84	5443.26	5794.22	2.61	0.97	39.67	142.76	5280.56
FTSE All-Share Pharmaceuticals and Biotechnology (9)	20723.58	0.60	17482.97	20600.06	20502.38	17945.00	2.62	1.04	36.59	539.80	17283.26
FTSE All-Share Banks (12)	3168.93	-2.26	2673.40	3242.11	3231.88	2930.58	4.11	2.61	9.34	128.47	2804.37
FTSE All-Share Finance and Credit Services (8)	11232.80	0.23	9476.29	11206.93	10952.23	9686.75	1.86	2.05	26.24	208.86	15092.90
FTSE All-Share Investment Banking and Brokerage Services (31)	8664.68	1.02	7309.76	8576.78	8604.59	10446.35	5.15	1.51	12.87	424.98	12221.87
FTSE All-Share Closed End Investments (190)	11908.70	1.34	10046.50	11750.76	11688.96	14279.36	2.64	-2.79	-13.63	296.90	7459.79
FTSE All-Share Life Insurance (6)	6857.32	2.19	5785.02	6710.17	6705.16	7746.45	4.47	1.08	20.71	294.59	8391.63
FTSE All-Share Nonlife Insurance (7)	3629.65	1.46	3062.07	3577.50	3597.52	3562.24	3.95	1.24	20.45	130.27	7729.86
FTSE All-Share Real Estate Investment and Services (10)	2155.35	0.88	1818.31	2136.55	2126.59	3041.75	2.34	4.11	10.41	41.03	6426.86
FTSE All-Share Real Estate Investment Trusts (45)	2071.43	0.92	1747.51	2052.45	2090.55	3012.67	4.54	3.64	6.06	89.90	3147.03
FTSE All-Share Automobiles and Parts (2)	1361.51	3.16	1148.60	1319.82	1277.70	3770.33	0.72	-53.35	-2.62	14.02	1416.43
FTSE All-Share Consumer Services (2)	3073.39	-0.29	2592.79	3082.44	3014.43	2488.01	1.25	2.58	31.13	38.43	3898.59
FTSE All-Share Household Goods and Home Construction (12)	8521.76	0.99	7189.19	8437.99	8410.43	14224.27	8.80	1.59	7.15	710.24	7668.29
FTSE All-Share Leisure Goods (2)	20069.20	0.61	16930.91	19947.19	19947.19	24235.51	3.37	1.59	18.64	831.45	22428.92
FTSE All-Share Personal Goods (4)	29066.19	-0.28	24521.02	29147.14	28468.31	30499.05	1.78	2.94	19.12	402.68	22734.27
FTSE All-Share Media (11)	9543.98	0.35	8051.56	9510.33	9461.70	9721.40	2.32	1.47	29.37	221.42	6715.17
FTSE All-Share Retailers (22)	1930.03	0.84	1628.22	1913.93	1910.21	2765.32	2.84	3.32	10.61	54.10	2518.48
FTSE All-Share Travel and Leisure (29)	6461.89	-0.08	5451.43	6467.14	6394.41	7087.59	0.63	-8.42	-18.79	40.81	6683.51
FTSE All-Share Beverages (5)	29398.97	1.00	24801.76	29108.29	28845.98	29737.47	2.04	2.00	24.50	584.47	23560.84
FTSE All-Share Food Producers (10)	5908.01	0.31	4984.15	5889.94	5919.15	6686.84	2.34	2.55	16.80	98.17	5702.38
FTSE All-Share Tobacco (2)	36711.97	-0.19	30971.20	36780.78	36426.17	27619.43	6.46	0.87	17.82	1906.82	34480.56
FTSE All-Share Construction and Materials (15)	7275.84	-0.01	6138.09	7276.77	7327.62	8574.20	3.17	0.64	48.90	230.56	8877.98
FTSE All-Share Aerospace and Defense (7)	5137.47	-1.33	4334.11	5206.66	5132.55	4437.01	2.29	0.11	396.13	104.10	6266.13
FTSE All-Share Electronic and Electrical Equipment (10)	10873.88	2.19	9173.50	10640.45	10538.11	13858.46	1.61	2.11	29.33	160.27	10753.56
FTSE All-Share General Industrials (8)	4995.32	-0.01	4214.18	4995.91	5024.51	5486.31	2.86	1.16	30.08	142.00	6598.00
FTSE All-Share Industrial Engineering (5)	16255.77	1.15	13713.80	16071.50	16216.93	19911.84	1.61	2.01	30.96	261.52	21835.90
FTSE All-Share Industrial Support Services (30)	10061.11	1.69	8487.82	9894.08	9836.51	11917.87	1.91	1.67	31.40	194.51	11585.66
FTSE All-Share Industrial Transportation (8)	5590.73	2.01	4716.49	5480.37	5493.67	7087.96	2.09	2.79	17.14	99.15	5858.69
FTSE All-Share Industrial Materials (1)	15627.92	2.46	500.87	15252.85	16002.99	21579.03	2.11	1.81	26.27	329.06	19740.39
FTSE All-Share Industrial Metals and Mining (9)	8370.22	-1.10	7061.34	8463.06	8302.12	6592.58	6.24	2.01	7.97	517.75	12848.79
FTSE All-Share Precious Metals and Mining (5)	10476.56	1.37	8838.31	10334.94	10150.88	19502.36	3.41	1.83	16.03	358.99	7386.34
FTSE All-Share Chemicals (7)	13340.30	1.13	11254.24	13191.48	13148.96	18207.16	2.66	1.79	20.92	324.25	13370.26
FTSE All-Share Oil. Gas and Coal (12)	8377.25	-2.15	7067.27	8561.42	8429.14	5738.29	3.49	2.74	10.46	293.60	10570.72
FTSE Sector Indices											
Non Financials (332)	**5073.92**	**0.05**	**4616.69**	**5071.20**	**5033.48**	**4909.98**	**3.48**	**1.61**	**17.88**	**169.57**	**9183.96**

Hourly movements	8.00	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High/day	Low/day
FTSE 100	7591.98	7591.43	7574.82	7577.29	7583.51	7585.76	7575.86	7570.76	7563.05	7598.16	7552.41
FTSE 250	19343.98	19329.06	19324.51	19336.81	19356.11	19384.79	19390.97	19411.72	19396.35	19428.24	19280.08
FTSE SmallCap	6239.55	6250.43	6250.69	6256.12	6259.57	6261.52	6263.58	6263.85	6260.04	6267.63	6239.55
FTSE All-Share	4153.97	4153.50	4145.80	4147.39	4150.87	4152.81	4148.52	4146.84	4142.80	4157.25	4137.46

Time of FTSE 100 Day's high:08:05:45 Day's Low16:17:45 FTSE 100 2010/11 High: 7672.40(10/02/2022) Low: 6826.15(12/10/2022)
Time of FTSE All-Share Day's high:08:06:00 Day's Low16:18:00 FTSE 100 2010/11 High: 4296.96(10/02/2022) Low: 3712.50(12/10/2022)
Further information is available on http://www.ftse.com © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence. † Sector P/E ratios greater than 80 are not shown. For changes to FTSE Fledgling Index constituents please refer to www.ftse.com/indexchanges. ‡ Values are negative.

FT 30 INDEX

	Dec 01	Nov 30	Nov 29	Nov 28	Nov 25	Yr Ago	High	Low
FT 30	2523.10	2514.90	2507.60	2515.20	2533.50	0.00	2880.10	2152.10
FT 30 Div Yield	-	-	-	-	-	0.00	3.93	2.74
P/E Ratio net	-	-	-	-	-	0.00	19.44	14.26

FT 30 hourly changes

8	9	10	11	12	13	14	15	16	High	Low
2514.9	2534.4	2532	2531.4	2532.6	2534.7	2532.4	2531	2527.6	2540.9	2514.9

FT30 constituents and recent additions/deletions can be found at www.ft.com/ft30

FT WILSHIRE 5000 INDEX SERIES

	Nov 30		Nov 30
FT Wilshire 5000	41380.36	FT Wilshire Mid Cap	5615.76
FT Wilshire 2500	5299.47	FT Wilshire Small Cap	5060.02
FT Wilshire Mega Cap	5272.95	FT Wilshire Micro Cap	4879.87
FT Wilshire Large Cap	5330.05		

Source: Wilshire. Wilshire Advisors LLC (Wilshire) is an investment advisor registered with the SEC. Further information is available at https://www.wilshire.com/solutions/indexes . Wilshire® is a registered service mark. Copyright ©2022 Wilshire. All rights reserved.

FTSE SECTORS: LEADERS & LAGGARDS

Year to date percentage changes

Oil & Gas Producers	46.27	Gas Water & Multi	-2.20	FTSE 250 Index	-17.34
Oil & Gas	45.49	Health Care Eq & Srv	-3.71	Mobile Telecomms	-18.53
Tobacco	25.34	Beverages	-5.81	Construct & Material	-19.36
Mining	21.60	Travel & Leisure	-6.92	Telecommunications	-19.37
Aerospace & Defense	16.30	Media	-7.16	Industrial Eng	-19.90
Basic Materials	13.04	Software & Comp Serv	-7.59	Leisure Goods	-20.96
Pharmace & Biotech	10.79	Technology	-7.61	Fixed Line Telecomms	-21.78
Health Care	9.79	Tech Hardware & Eq	-7.77	Oil Equipment & Serv	-22.27
Electricity	5.50	Nonlife Insurance	-7.78	Household Goods & Ho	-23.99
Banks	5.29	Financial Services	-10.36	Electronic & Elec Eq	-26.51
Personal Goods	4.51	Financials	-10.67	Chemicals	-27.59
FTSE 100 Index	2.36	Life Insurance	-11.85	Food & Drug Retailer	-30.25
NON FINANCIALS Index	0.04	Industrials	-14.04	General Retailers	-30.32
Beverages	31.66	Food Producers	-14.54	Real Est Invest & Se	-31.90
Utilities	-0.27	Consumer Services	-14.77	Real Est Invest & Tr	-33.01
Consumer Goods	-1.23	FTSE SmallCap Index	-16.15	Industrial Transport	-39.54
FTSE All{HY-}Share Index	-1.59	Equity Invest Instr	-16.47	Automobiles & Parts	-62.66
		Support Services	-16.82	Industrial Metals &	-78.76

FTSE GLOBAL EQUITY INDEX SERIES

Dec 1 Regions & countries	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
FTSE Global All Cap	9513	707.73	2.0	7.1	-16.4	1134.45	-14.7	2.3
FTSE Global All Cap	9513	707.73	2.0	7.1	-16.4	1134.45	-14.7	2.3
FTSE Global Large Cap	1905	633.26	2.1	7.2	-16.6	1046.36	-14.8	2.3
FTSE Global Mid Cap	2260	913.85	1.8	7.0	-14.8	1377.93	-13.1	2.2
FTSE Global Small Cap	5348	940.15	1.8	6.0	-17.9	1355.30	-16.3	2.1
FTSE All-World	4165	415.99	2.1	7.2	-16.3	706.17	-14.5	2.3
FTSE World	2661	755.40	2.1	6.8	-15.9	1720.83	-14.1	2.3
FTSE Global All Cap ex UNITED KINGDOM In	9223	747.76	2.1	7.0	-16.6	1175.58	-14.9	2.2
FTSE Global All Cap ex USA	7703	492.35	0.5	11.4	-17.9	875.68	-15.4	3.3
FTSE Global All Cap ex JAPAN	8108	739.70	2.3	6.9	-16.3	1196.19	-14.6	2.2
FTSE Global All Cap ex Eurozone	8851	750.65	2.2	6.7	-16.1	1177.06	-14.4	2.2
FTSE Developed	2177	693.49	2.1	6.5	-15.9	1119.06	-14.3	2.1
FTSE Developed All Cap	5827	722.63	2.1	6.4	-16.1	1148.83	-14.5	2.1
FTSE Developed Large Cap	833	650.20	2.2	6.4	-16.1	1067.92	-14.5	2.1
FTSE Developed Europe Large Cap	219	378.95	0.2	10.9	-15.7	751.12	-13.0	3.1
FTSE Developed Europe Mid Cap	355	561.91	-0.3	10.9	-27.1	966.50	-25.1	3.0
FTSE Dev Europe Small Cap	746	790.88	-0.4	10.3	-28.4	1306.47	-26.4	3.2
FTSE North America Large Cap	234	875.03	3.1	4.3	-16.1	1315.06	-14.8	1.6
FTSE North America Mid Cap	421	1152.27	2.8	5.4	-11.9	1601.25	-10.4	1.8
FTSE North America Small Cap	1335	1130.63	2.5	4.1	-14.3	1506.18	-13.1	1.6
FTSE North America	655	573.81	3.1	4.5	-15.3	881.63	-14.0	1.7
FTSE Developed ex North America	1522	260.47	0.0	11.4	-17.4	498.87	-14.9	3.1
FTSE Japan Large Cap	169	370.58	-1.2	10.7	-18.7	544.81	-16.7	2.5
FTSE Japan Mid Cap	340	520.26	-1.2	9.4	-15.2	726.46	-13.1	2.6
FTSE Global wi JAPAN Small Cap	896	579.42	-1.5	10.0	-16.7	840.20	-14.4	2.7
FTSE Japan	509	152.47	-1.2	10.5	-18.0	250.98	-16.0	2.5
FTSE Asia Pacific Large Cap ex Japan	1087	675.75	1.6	17.3	-18.9	1232.28	-16.6	3.2
FTSE Asia Pacific Mid Cap ex Japan	866	963.40	1.5	13.9	-15.0	1693.52	-12.4	3.4
FTSE Asia Pacific Small Cap ex Japan	2114	541.02	1.3	12.7	-25.7	923.66	-23.6	3.1
FTSE Asia Pacific Ex Japan	1953	538.32	1.6	17.0	-18.6	1043.28	-16.2	3.2
FTSE Emerging All Cap	3686	711.33	1.8	13.6	-19.2	1241.22	-16.5	3.7
FTSE Emerging Large Cap	1072	656.22	1.9	14.6	-20.3	1151.72	-17.5	3.8
FTSE Emerging Mid Cap	916	1033.82	1.6	9.7	-10.1	1814.36	-6.9	3.9
FTSE Emerging Small Cap	1698	763.78	1.3	10.1	-21.2	1274.61	-18.6	3.4
FTSE Emerging Europe	111	119.90	0.1	18.5	-71.1	251.26	-69.8	2.9
FTSE Latin America All Cap	262	727.79	2.0	0.3	2.7	1441.53	11.6	11.5
FTSE Middle East and Africa All Cap	329	758.73	1.3	2.0	-4.8	1390.20	-1.9	3.2
FTSE Global wi UNITED KINGDOM All Cap In	290	315.74	-0.1	10.4	-12.3	646.00	-9.2	3.6
FTSE Global wi USA All Cap	1810	985.62	3.1	4.4	-15.4	1427.81	-14.2	1.6
FTSE Europe All Cap	1460	427.98	0.0	10.9	-20.1	814.33	-17.6	3.1
FTSE Eurozone All Cap	662	413.39	0.1	12.0	-20.3	780.54	-17.8	3.1
FTSE EDHEC-Risk Efficient All-World	4165	476.13	1.5	7.2	-12.8	750.13	-10.7	2.6
FTSE EDHEC-Risk Efficient Developed Europe	574	311.17	-0.1	11.1	-24.7	547.42	-22.4	3.2
Oil & Gas	130	423.58	0.7	3.4	29.2	869.78	35.5	4.4
Oil & Gas Producers	86	422.02	0.6	2.6	32.8	890.47	39.9	4.7

Dec 1 Sectors	No of stocks	US $ indices	Day %	Mth %	YTD %	Total retn	YTD %	Gr Div Yield
Oil Equipment & Services	24	287.97	0.8	5.4	23.1	533.68	27.9	4.1
Basic Materials	392	612.19	1.3	13.3	-9.0	1128.05	-5.0	4.7
Chemicals	195	813.30	0.8	8.8	-16.0	1439.03	-13.7	3.0
Forestry & Paper	20	255.91	0.3	5.7	-16.2	516.69	-13.4	3.8
Industrial Metals & Mining	98	504.47	2.2	18.4	-8.8	967.24	-3.9	7.4
Mining	79	976.72	1.8	18.9	4.9	1905.86	11.5	5.9
Industrials	802	502.37	1.1	8.4	-16.4	801.86	-14.7	2.0
Construction & Materials	154	570.59	0.7	9.4	-22.8	960.99	-21.1	2.2
Aerospace & Defense	35	889.43	0.9	3.9	10.7	1389.68	12.5	1.5
General Industrials	76	242.26	0.4	9.8	-12.7	428.55	-10.5	2.5
Electronic & Electrical Equipment	157	629.95	1.0	10.3	-21.7	905.54	-20.4	1.5
Industrial Engineering	158	999.66	0.4	10.3	-13.6	1589.65	-11.9	1.9
Industrial Transportation	132	945.12	1.8	11.6	-14.9	1538.51	-12.2	3.4
Support Services	90	533.72	2.1	4.5	-24.9	794.28	-23.9	1.5
Consumer Goods	569	561.82	2.0	6.8	-18.5	944.94	-16.8	2.3
Automobiles & Parts	132	520.56	3.6	0.1	-32.7	842.09	-31.6	1.9
Beverages	72	781.34	1.2	6.9	-3.1	1328.30	-1.1	2.2
Food Producers	134	729.00	1.1	6.3	-7.2	1257.66	-5.0	2.4
Household Goods & Home Construction	65	533.60	1.7	10.1	-18.4	899.78	-16.3	2.7
Leisure Goods	53	236.10	0.3	8.7	-25.9	333.90	-24.9	1.4
Personal Goods	98	917.02	2.5	15.1	-20.6	1411.45	-19.2	1.8
Tobacco	15	1003.89	1.2	5.5	4.4	2842.52	9.3	6.0
Health Care	343	734.80	1.8	5.6	-6.9	1171.37	-5.4	1.7
Health Care Equipment & Services	133	1400.51	2.8	4.7	-15.8	1717.43	-15.1	1.0
Pharmaceuticals & Biotechnology	210	497.09	1.1	6.3	0.0	852.36	2.3	2.1
Consumer Services	427	542.64	2.2	6.2	-23.0	775.15	-22.1	1.2
Food & Drug Retailers	69	326.66	0.3	7.5	-5.1	519.73	-2.9	2.3
General Retailers	141	949.89	2.5	5.7	-25.7	1298.53	-25.1	1.0
Media	75	308.36	3.1	4.2	-34.3	443.28	-33.6	1.3
Travel & Leisure	142	458.41	1.9	8.3	-10.6	669.80	-9.6	1.1
Telecommunication	89	131.48	0.6	3.4	-11.3	310.04	-7.8	4.2
Fixed Line Telecommuniations	31	102.74	0.4	3.0	-8.8	277.99	-4.6	5.1
Mobile Telecommunications	58	155.37	0.8	3.6	-12.6	315.85	-9.5	3.8
Utilities	200	322.01	1.8	7.0	-6.2	753.71	-3.3	3.3
Electricity	142	364.86	2.0	5.7	-5.4	840.59	-2.6	3.2
Gas Water & Multiutilities	58	316.94	1.3	10.2	-8.1	768.80	-4.9	3.6
Financials	853	266.28	1.2	8.2	-11.3	512.05	-8.6	3.1
Banks	270	203.13	0.7	7.1	-10.3	435.54	-6.7	4.0
Nonlife Insurance	71	364.73	0.6	8.0	4.1	608.88	7.0	2.8
Life Insurance	51	222.09	1.2	15.2	-8.1	428.63	-4.4	3.9
Financial Services	211	443.21	2.0	7.9	-11.2	673.21	-9.7	1.7
Technology	360	478.59	4.5	7.5	-29.5	624.78	-28.8	1.1
Software & Computer Services	184	717.74	4.9	7.4	-32.9	868.50	-32.5	0.7
Technology Hardware & Equipment	176	427.28	4.1	7.6	-25.4	600.24	-24.4	1.5
Alternative Energy	20	191.50	3.3	13.2	-8.1	274.78	-7.8	0.4
Real Estate Investment & Services	142	255.36	0.8	14.7	-22.4	497.87	-20.2	3.1
Real Estate Investment Trusts	108	454.05	1.6	7.1	-23.9	1061.82	-21.7	3.7
FTSE Global Large Cap	1905	633.26	2.1	7.2	-16.6	1046.36	-14.8	2.3

The FTSE Global Equity Series, launched in 2003, contains the FTSE Global Small Cap Indices and broader FTSE Global All Cap Indices (large/mid/small cap) as well as the enhanced FTSE All-World index Series (large/mid cap) - please see https://research.ftserussell.com/Products/indices/Home/indexfiltergeis?indexName=GEISAC&currency=USD&rtn=CAP&segment=global-developed--emerging. The trade names Fundamental Index® and RAFI® are registered trademarks and the patented and patent-pending proprietary intellectual property of Research Affiliates, LLC (US Patent Nos. 7,620,577; 7,747,502; 7,778,905; 7,792,719; Patent Pending Publ. Nos. US-2006-0149645-A1, US-2007-0055598-A1, US-2008-0288416-A1, US-2010- 0063942-A1, WO 2005/076812, WO 2007/078399 A2, WO 2008/118372, EPN 1733352, and HK1099110). "EDHEC™" is a trade mark of EDHEC Business School As of January 2nd 2006, FTSE is basing its sector indices on the Industrial Classification Benchmark - please see www.ftse.com/icb. For constituent changes and other information about FTSE, please see www.ftse.com. © FTSE International Limited. 2013. All Rights reserved. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under licence.

FTSE 100 SUMMARY

FTSE 100	Closing Price	Day's Change	FTSE 100	Closing Price	Day's Change
3I Group PLC	1315.5	-33.00	International Consolidated Airlines Group S.A.	132.96	-1.48
Admiral Group PLC	2059	33.00	Intertek Group PLC	4093	48.00
Airtel Africa PLC	123.50	0.20	Jd Sports Fashion PLC	128.00	1.95
Anglo American PLC	3301.5	-106.00	Kingfisher PLC	246.50	5.40
Antofagasta PLC	1405.5	-3.00	Land Securities Group PLC	613.20	-1.00
Ashtead Group PLC	5086	111.00	Legal & General Group PLC	255.30	3.70
Associated British Foods PLC	1587.5	6.50	Lloyds Banking Group PLC	46.13	-0.78
Astrazeneca PLC	11200	34.00	London Stock Exchange Group PLC	8270	22.00
Auto Trader Group PLC	576.80	11.00	M&G PLC	191.20	-1.00
Aveva Group PLC	3186	5.00	Melrose Industries PLC	130.50	-1.65
Aviva PLC	445.50	1.20	Mondi PLC	1543	-
B&M European Value Retail S.A.	415.10	5.80	National Grid PLC	1025	10.50
Bae Systems PLC	815.00	-7.60	Natwest Group PLC	257.40	-4.50
Barclays PLC	158.28	-2.96	Next PLC	5814	-26.00
Barratt Developments PLC	405.50	7.80	Ocado Group PLC	664.80	42.20
Berkeley Group Holdings (The) PLC	3847	36.00	Pearson PLC	943.60	-51.60
BP PLC	489.45	-8.05	Pershing Square Holdings LTD	2945	-20.00
British American Tobacco PLC	3391	-	Persimmon PLC	1285	13.00
British Land Company PLC	397.00	2.70	Phoenix Group Holdings PLC	591.00	2.20
Bt Group PLC	120.55	-0.85	Prudential PLC	1016	36.60
Bunzl PLC	3046	-2.00	Reckitt Benckiser Group PLC	6038	90.00
Burberry Group PLC	2151	-26.00	Relx PLC	2334	22.00
Centrica PLC	95.54	0.48	Rentokil Initial PLC	544.20	2.80
Coca-Cola Hbc AG	2015	-	Rightmove PLC	562.00	8.60
Compass Group PLC	1866.5	-5.50	Rio Tinto PLC	5598	13.00
Convatec Group PLC	232.00	1.80	Rolls-Royce Holdings PLC	86.93	-3.99
Crh PLC	3278.5	-14.00	Rs Group PLC	947.00	29.00
Croda International PLC	6922	128.00	Sage Group PLC	811.60	15.00
Dcc PLC	4428	39.00	Sainsbury (J) PLC	222.00	-0.60
Dechra Pharmaceuticals PLC	2778	58.00	Schroders PLC	463.40	21.00
Diageo PLC	3846	38.00	Scottish Mortgage Investment Trust PLC	796.40	26.80
Endeavour Mining PLC	1756	25.00	Segro PLC	806.80	16.00
Entain PLC	1403	1.00	Severn Trent PLC	2717	5.00
Experian PLC	2954	49.00	Shell PLC	2382	-62.00
F&C Investment Trust PLC	928.00	4.00	Smith & Nephew PLC	1078.5	-7.00
Flutter Entertainment PLC	12040	-135.00	Smith (Ds) PLC	303.80	0.50
Frasers Group PLC	895.50	-3.00	Smiths Group PLC	1595.5	7.00
Fresnillo PLC	903.20	5.60	Smurfit Kappa Group PLC	2977	11.00
Glaxosmithkline PLC	1415.4	8.60	Spirax-Sarco Engineering PLC	11380	175.00
Glencore PLC	556.70	-6.80	Sse PLC	1740	31.50
Haleon PLC	292.95	8.85	St. James's Place PLC	1167.5	18.00
Halma PLC	2219	47.00	Standard Chartered PLC	594.80	-22.60
Harbour Energy PLC	318.40	-0.10	Taylor Wimpey PLC	104.65	1.25
Hargreaves Lansdown PLC	852.60	9.00	Tesco PLC	228.70	1.20
Homeserve PLC	1190	-1.00	Unilever PLC	4179.5	35.50
HSBC Holdings PLC	497.90	-11.80	Unite Group PLC	934.00	11.50
Imperial Brands PLC	2106	-19.00	United Utilities Group PLC	1046	22.00
Informa PLC	619.40	5.20	Vodafone Group PLC	91.52	-0.32
Intercontinental Hotels Group PLC	4820	23.00	Whitbread PLC	2606	22.00
Intermediate Capital Group PLC	1268	74.50	Wpp PLC	873.80	8.20

UK STOCK MARKET TRADING DATA

	Dec 01	Nov 30	Nov 29	Nov 28	Nov 25	Yr Ago
Order Book Turnover (m)	190.19	324.43	44.43	47.06	47.06	47.06
Order Book Bargains	786174.00	685355.00	620373.00	491480.00	491480.00	491480.00
Order Book Shares Traded (m)	1310.00	1248.00	1130.00	1069.00	1069.00	1069.00
Total Equity Turnover (£m)	5555.55	7219.48	7383.66	4258.00	4258.00	4258.00
Total Mkt Bargains	996902.00	865191.00	803380.00	638327.00	638327.00	638327.00
Total Shares Traded (m)	5709.00	5322.00	6407.00	6459.00	6459.00	6459.00

† Excluding intra-market and overseas turnover. *UK only total at 6pm. ‡ UK plus intra-market turnover. (u) Unavaliable. (c) Market closed.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar or the FT. The FT does not warrant nor guarantee that the information is reliable or complete. The FT does not accept responsibility and will not be liable for any loss arising from the reliance on or use of the listed information.
For all queries e-mail ft.reader.enquiries@morningstar.com

Data provided by Morningstar | www.morningstar.co.uk

POWERED BY MORNINGSTAR

UK RIGHTS OFFERS

Issue price	Amount paid up	Latest renun. date	High	Low	Stock	closing Price p	+or-

There are currently no rights offers by any companies listed on the LSE.

UK COMPANY RESULTS

Company		Turnover		Pre-tax		EPS(p)		Div(p)		Pay day	Total	
abrdn Equity Income Trust	Pre			12.840L	54.842	27.420L	113.240	0.00000	5.60000	-	0.000	10.800
AJ Bell	Pre	163.847	145.826	58.411	55.084	11.390	10.710	4.59000	4.50000	Feb 17	7.370	6.960
Amte Power	Pre	2.194	1.967	5.997L	3.809L	16.330L	12.590L	0.00000	0.00000	-	0.000	0.000
Auction Technology Group	Pre	119.846	70.080	9.279	25.042L	5.100L	31.000L	0.00000	0.00000	-	0.000	0.000
Creightons	Int	29.676	30.005	0.359L	2.266	0.550L	3.050	0.00000	0.15000	-	0.000	0.650
CT UK Capital & Income Investment Trust	Pre			45.258L	100.214	42.260L	93.510	0.00000	3.75000	-	2.650	6.350
DSW Capital	Int	1.509	1.119	0.588	0.651	2.000	0.000	1.76000	0.00000	Jan 11	3.864	
Fidelity China Special Situations	Int			115.683L	363.107L	22.770L	70.660L	0.00000	0.00000	-	5.500	4.680
Foresight Group Holdings Ltd	Int	50.720	39.707	25.354	13.111	21.600	10.600	0.00000	4.00000	-	9.800	4.848
Hotel Chocolat Group	Pre	226.133	164.551	8.719L	5.535	6.900L	2.900	0.00000	0.00000	-	0.000	0.000
Jaywing	Int	14.710	15.065	0.208	0.044L	0.220L	0.260L	0.00000	0.00000	-	0.000	0.000
Latham (James)	Int	212.797	193.937	23.660	34.031	95.600	133.500	0.00000	6.50000	-	19.000	22.000
Merit Group	Int	9.229	8.698	0.261L	0.085L	4.170L	3.110L	0.00000	0.00000	-	0.000	0.000
Orchard Funding Group	Pre	6.190	4.600	1.878	1.050	7.110	3.910	2.00000	2.00000	Jan 6	3.000	3.000

Figures in £m. Earnings shown basic. Figures in light text are for corresponding period year earlier.
For more information on dividend payments visit www.ft.com/marketsdata

UK RECENT EQUITY ISSUES

Issue date	Issue price(p)	Sector	Stock code	Stock	Close price(p)	+/-	High	Low	Mkt Cap (£m)
11/09	250.00		ITH	Ithaca Energy PLC	187.80	0.54	254.90	178.00	188769.5
10/31	4.00		BWN	Bowen Fintech PLC	6.25	0.25	6.00	5.90	343.8
10/27	10.00		UMR	Unicorn Mineral Resource PLC	18.50	0.00	19.50	10.00	513.5
10/24	1.00		ATN	Eastinco Mining and Exploration PLC	0.95	-0.05	1.00	0.90	916.5
10/21	55.00	AIM	SND	Sondrel (Holdings) PLC	60.00	-0.26	62.00	51.67	5247.7

§Placing price. *Intoduction. ‡When issued. Annual report/prospectus available at www.ft.com/ir
For a full explanation of all the other symbols please refer to London Share Service notes.

MARKET DATA

FT500: THE WORLD'S LARGEST COMPANIES

Stock	Price	Day Chg	52 Week High	52 Week Low	Yld	P/E	MCap m
Australia (A$)							
ANZ Bank	24.95	0.21	28.33	20.78	5.85	10.81	50827.63
BHP Group	46.48	0.96	53.72	35.83	8.55	11.29	160249
CmwBkAu	108.42	0.56	109.20	86.98	3.12	21.08	124877.63
CSL	298.66	-1.45	309.00	240.10	0.98	44.21	98083.99
NatAusBk	31.68	0.14	33.75	25.43	2.74	17.44	68020.27
Telstra	3.98	-	4.20	3.62	2.43	33.47	31319.2
Wesfarmers	49.00	0.43	60.78	40.03	3.51	26.04	37837.92
Westpac Bank	23.92	0.15	24.67	18.80	3.59	17.99	57035.93
Woolworths	34.60	0.13	41.13	31.67	3.02	40.79	28665.47
Belgium (€)							
AnBshInBv	56.89	0.84	58.72	45.56	0.92	28.89	103636.49
KBC Grp	52.82	0.08	81.70	45.53	6.40	8.74	23090.98
Brazil (R$)							
Ambev	16.05	0.13	16.88	12.81	3.57	23.82	48742.04
Bradesco	13.48	-0.28	17.72	12.69	6.26	6.13	12659.41
Cielo	4.63	-0.16	6.22	2.01	3.20	15.40	2425.41
ItauHldFin♦	22.44	-0.08	26.04	18.86	3.51	8.73	21453.43
Petrobras	29.43	-0.96	42.08	25.53	16.58	4.12	42232.73
Vale	85.67	-0.04	107.11	61.90	15.42	3.76	78940.18
Canada (C$)							
Bausch Hlth	10.23	0.80	36.26	5.10	-	-3.19	2756.55
BCE	64.01	-0.05	74.09	55.66	5.27	22.23	43466.59
BkMontrl	130.90	-0.48	154.47	113.73	3.33	10.45	66015.98
BkNvaS	69.79	-0.39	95.00	63.19	5.12	9.06	61913
Brookfield	62.76	-0.66	79.04	51.07	1.01	21.59	75696.35
CanadPcR	110.97	0.84	110.99	86.12	0.66	27.57	76857.98
CanImp	60.99	-3.80	83.75	55.35	9.48	4.38	41146.12
CanNatRs	80.23	-0.08	88.18	48.42	2.40	12.90	66152.18
CanNatRy	173.30	0.61	174.48	137.26	1.37	26.12	87380.84
Enbridge	55.22	-0.33	59.69	46.88	5.82	19.98	83257.41
GtWesLif	31.59	-0.49	41.50	27.99	5.89	9.21	21919.02
ImpOil	75.22	-1.31	79.83	41.04	1.32	22.45	33877.84
Manulife	24.29	0.06	28.09	20.81	4.64	7.13	34069.43
Nutrien	106.54	-1.57	147.93	84.51	2.10	15.87	41288.87
RylBkC	134.16	0.38	149.60	116.75	3.20	12.36	138419.85
SHOP	58.13	2.87	198.21	33.00	-	2.09	43228.06
Suncor En	43.78	-0.45	53.62	28.77	2.31	16.41	44139.78
ThmReut	157.15	-1.24	158.57	119.23	1.25	11.24	56273.03
TntoDom	91.32	1.79	109.08	77.27	3.45	11.87	123391.93
TrnCan	59.42	-0.19	74.44	54.60	5.64	33.17	44771.18
China (HK$)							
AgricBkCh	2.56	-0.04	3.15	2.22	8.34	3.34	10115.84
Bk China	2.73	-0.04	3.20	2.51	8.16	3.37	29346.4
BkofComm	4.39	-0.02	5.74	3.84	7.98	3.61	19758.59
BOE Tech	0.74	-0.07	0.86	0.57	-	11.88	18.93
Ch Coms Cons	3.75	-0.07	5.17	3.09	5.44	3.10	2130.01
Ch Evrbrght	2.33	0.01	3.11	2.04	10.30	3.14	3797.54
Ch Rail Cons	4.62	-0.15	5.95	3.75	5.68	2.44	1233.13
Ch Rail Gp	4.26	-0.13	5.88	3.48	4.84	3.41	2304.09
ChConstBk	4.73	0.02	6.23	4.12	7.86	3.42	146185.75
China Vanke	15.74	-0.32	21.70	9.96	9.06	7.06	3857.64
ChinaCitic	3.44	-0.02	4.08	2.92	8.17	3.18	6581.19
ChinaLife	11.86	-	15.04	8.53	5.77	5.16	11344.96
ChinaMBank	39.05	-0.15	70.80	25.40	3.67	7.17	23046
ChinaMob	51.50	-0.25	58.65	45.90	6.26	7.91	135453.57
ChinaPcIns	17.56	-0.06	25.90	12.10	7.49	5.69	6264.85
ChMinsheng	2.66	-0.03	3.29	2.19	9.26	3.42	2845.12
ChMrchSecs	13.53	0.03	18.56	12.06	3.36	11.62	14185.01
Chna Utd Coms	4.72	0.31	4.85	3.30	2.47	22.78	20643.57
ChShenEgy	23.40	-0.60	27.65	16.82	8.77	7.06	10159.8
ChShpbldng	3.66	0.02	4.33	3.36	-	-261.78	11417.33
ChStConEng	5.74	-0.14	6.40	4.66	3.89	4.28	33109.72
ChUncHK	4.41	0.06	4.72	3.27	3.57	9.67	17346.38
CNNC Intl	6.24	-	8.92	5.78	2.08	15.69	16615.5
CSR	3.13	-0.07	3.73	2.37	6.62	8.56	1758.79
Daqin	6.78	-0.07	7.25	5.95	7.36	9.88	14238.37
GuosenSec	9.12	-0.01	11.70	8.43	2.62	10.08	11371.62
HaitongSecs	4.82	0.02	7.34	3.77	5.98	5.21	2112.64
Hngzh HikVDT	32.05	0.54	55.55	28.10	2.60	16.95	41540.84
Hunng Pwr	3.49	-0.11	5.74	2.62	5.67	-3.90	2108.78
IM Baotou Stl	1.98	-0.01	3.21	1.75	-	32.43	8859.8
In&CmBkCh	3.91	-	4.94	3.37	7.79	3.56	43626.16
IndstrlBk	17.53	-0.17	23.22	15.01	4.60	4.62	51441.81
Kweichow	1630.8	31.80	2216.96	1359	1.23	35.34	289379.98
Midea	0.34	-0.02	0.60	0.33	-	-3.67	13.16
New Ch Life Ins	18.00	-0.22	24.70	12.04	8.53	3.40	2392.84
PetroChina	3.50	-0.04	4.49	3.01	6.84	7.02	9493.03
PingAnIns	47.55	-0.20	69.40	31.30	5.28	7.52	45524.13
PngAnBnk	13.10	0.07	19.06	10.39	1.38	7.53	35909.38
Pwr Cons Corp	7.58	-0.06	9.81	6.61	1.22	15.16	11768.82
SaicMtr	15.07	-0.11	22.14	13.77	4.10	7.26	24871.05
ShenwanHong	0.09	0.00	0.18	0.05	-	2.59	99.63
ShgPdgBk	7.22	-	8.81	6.64	6.63	4.44	29935.4
Sinopec Corp	3.60	-0.07	4.28	3.06	3.88	4.32	11781.93
Sinopec Oil	2.02	0.02	2.37	1.70	-	646.14	3871.89
Denmark (kr)							
DanskeBk	128.90	1.40	133.25	91.28	1.52	8.99	15670.67
MollerMrsk	15300	-50.00	24070	13185	2.18	2.54	18063.11
NovoB	892.60	8.60	896.80	604.40	1.03	43.82	219320.87
Finland (€)							
Nokia	4.79	0.14	5.71	4.12	-	16.82	28612.43
SampoA	48.72	0.18	48.93	35.85	3.45	10.55	27234.14
France (€)							
Airbus Grpe	110.14	0.94	120.36	86.52	-	20.55	91036.06
AirLiquide	139.52	1.30	153.40	114.48	1.94	26.21	76577.09
AXA	27.38	0.36	29.09	20.34	5.13	9.38	67475.86
BNP Parib	52.63	-0.80	68.07	40.67	5.00	7.72	68123.11
ChristianDior	715.00	-9.00	733.50	513.00	0.96	26.57	135341.36
Cred Agr	9.50	-0.11	14.27	8.09	8.27	5.28	30316.81
Danone	50.83	0.75	58.24	46.48	3.75	17.60	36023.99
EDF	12.00	-	12.48	6.64	3.99	9.40	48907.8
Engie SA	14.49	-0.03	14.68	9.79	3.59	10.39	36993.68
EssilorLuxottica	178.00	0.70	188.64	132.70	0.60	55.25	83515.58
Hermes Intl	1532.5	-10.00	1678	957.60	0.29	66.97	169655.44
LOreal	358.40	3.60	433.65	300.45	1.10	44.45	201721.69
LVMH	721.00	-16.30	738.50	535.00	0.95	30.73	380499.94
Orange	9.76	-0.01	11.94	8.93	6.04	3298.13	27227.91
PernodRic	190.00	1.05	214.00	166.60	1.61	29.20	51394.17
Renault	34.99	0.18	38.07	20.47	-	-26.60	10850.69
Safran	116.54	-0.88	118.26	87.85	0.36	1186.58	52213.06
Sanofi	87.45	0.97	106.08	76.45	3.59	18.00	116234.02
Sant Gbn	44.99	1.25	64.82	35.20	2.97	10.95	24332.71
Schneider	141.12	2.20	173.78	110.02	1.81	25.34	84513.2
SocGen	23.37	-0.63	37.68	18.34	2.33	4.02	20823.54
Total	59.27	-1.04	60.44	41.12	4.48	11.59	162787.63
UnibailR	51.14	0.50	73.09	39.68	-	-7.42	7441.37
Vinci	98.26	1.64	103.74	80.74	2.69	22.18	61616.63
Vivendi	8.90	0.32	12.16	7.59	6.62	-16.19	10350.81
Germany (€)							
Allianz	203.75	-0.60	232.50	156.22	4.63	13.10	86172.78
BASF	47.86	-0.66	69.15	37.90	6.77	8.07	46096.82
Bayer	55.03	-0.35	67.99	43.91	3.57	54.93	56692.78
BMW	85.14	-1.17	97.60	67.58	2.19	4.62	53747.2
Continental	57.02	-0.26	98.64	44.44	-	8.95	11959.13
Deut Bank	9.91	-0.22	14.64	7.46	-	9.92	21467.26
Deut Tlkm	19.67	0.26	19.86	14.47	3.00	23.02	102855.08
DeutsPost	38.17	0.34	56.91	29.68	3.56	9.83	49589.14
E.ON	9.09	-0.03	12.54	7.28	5.08	5.14	25177.58
Fresenius Med	30.33	0.61	63.66	26.19	4.34	9.33	9319.14
Fresenius SE	26.51	-0.05	38.11	19.76	3.34	8.53	15526.15
HenkelKgaA	64.45	0.75	74.75	56.55	2.79	17.45	17558.38
Linde	319.95	-0.15	334.70	244.00	1.14	50.61	165871.51
Mercedes-Benz	64.16	-0.24	77.90	50.19	2.07	6.53	71979.92
MuenchRkv	304.40	3.20	304.40	205.15	3.16	14.81	44720.71
SAP	106.32	1.86	125.26	81.35	1.71	24.27	136968.54
Siemens	133.66	2.44	154.70	93.67	2.57	20.46	119137.8
Volkswgn	185.80	2.75	282.60	158.80	2.54	6.39	57494.88
Hong Kong (HK$)							
AIA	80.35	1.85	92.50	57.25	1.50	20.41	122129.82
BOC Hold	24.65	-0.10	32.75	23.55	4.55	12.56	33502.92
Ch OSLnd&Inv	20.45	-0.65	27.35	14.58	5.31	5.04	28772.68
ChngKng	46.35	-0.20	57.00	42.90	3.45	10.53	21480.98
Citic Ltd	7.85	-0.14	9.26	7.01	6.19	3.60	29355.86
Citic Secs	15.74	0.18	21.32	11.82	2.74	8.04	5301.46
CK Hutchison	44.75	-0.55	60.45	38.80	4.60	5.63	22058.53
CNOOC	10.10	-0.10	12.54	7.62	4.05	8.75	57877.13
HangSeng	121.60	1.40	169.50	110.00	4.53	19.42	29885.6
HK Exc&Clr	317.20	11.20	483.60	208.20	2.61	35.49	51697.89
MTR	37.55	-	43.70	33.45	2.96	26.98	29937.97
SandsCh	21.45	0.45	24.90	12.50	-	-23.51	22316.32
SHK Props	93.60	-0.10	99.55	83.10	4.78	10.61	34867.22
Tencent	294.40	7.20	488.00	198.60	0.49	11.50	362618.96
India (Rs)							
Bhartiartl	848.60	-0.15	860.55	628.75	-	183.32	62220.88
HDFC Bk	1619.5	11.05	1722.1	1271.6	-	27.78	111176.02
Hind Unilevr	2662.85	-21.50	2734	1927	1.19	72.18	77028.69
HsngDevFin	2700.95	8.40	2933.8	2026	0.84	23.26	60582.39
ICICI Bk	940.20	-12.70	958.20	642.15	0.21	30.18	80724.93
Infosys	1657.1	22.15	1923.3	1360	1.81	33.13	85851.16
ITC	339.55	-0.45	361.45	207.00	3.13	28.55	51879.98
L&T	2104.25	29.40	2110	1456.35	0.85	35.32	36405.67
OilNatGas	140.05	-1.05	189.80	119.85	6.43	4.01	21691.42
RelianceIn	2723.3	-8.05	2856.15	2222	0.25	31.53	226850.92
SBI NewA	608.10	5.65	622.70	430.70	0.65	17.16	66815.62
SunPhrmInds	1046.45	0.40	1070.95	733.70	0.71	39.46	30911.7
Tata Cons	3475.65	84.85	3920	2950.1	1.03	33.59	156573.41
Israel (ILS)							
TevaPha	29.50	-0.70	37.23	23.83	-	25.59	9495.2
Italy (€)							
Enel	5.25	0.12	7.07	3.96	6.86	24.86	55971.64
ENI	14.09	-0.23	14.85	10.43	4.70	6.04	53274.21
Generali	17.13	0.19	21.55	13.67	8.43	9.80	28392.97
IntSPaolo	2.08	-0.04	2.92	1.58	1.72	65.78	42473.05
Unicred	12.55	-0.47	15.93	7.75	0.94	18.97	29443.53
Japan (¥)							
AstellasPh	2127	-1.00	2205	1739	2.31	30.68	28726.96
Bridgestne	5143	-24.00	5509	4042	3.45	11.21	27003.24
Canon	3166	-46.00	3516	2467	3.30	14.68	31065.22
CntJpRwy	16410	-220.00	17920	14660	0.85	-29.48	24869.12
Denso	7522	8.00	9575	6549	1.99	19.75	43602.75
EastJpRwy	7728	-83.00	8280	6373	1.38	-7.43	21486.51
Fanuc	20565	200.00	25300	18740	2.35	23.44	30547.1
FastRetail	82780	1970	88230	54310	0.68	37.23	64597.79
Fuji Hvy Ind	2289.5	-62.00	2684	1664.5	2.61	25.20	12955.41
Hitachi	7322	23.00	7463	4750	1.68	10.28	52173.05
HondaMtr	3334	-22.00	3755	3043	4.14	6.76	44429.5
JapanTob	2810.5	-5.00	2848	2000	5.20	13.71	41352.16
KDDI	4082	-29.00	4636	3237	3.14	13.10	69150.82
Keyence	58390	1250	74710	44880	0.37	46.75	104472.13
MitsbCp	4543	-62.00	4845	3383	3.25	9.71	49268.31
MitsubEst	988.26	4.17	1013.24	876.51	-	-	-
MitsubishiEle	1373.5	-4.00	1518	1225.5	3.11	11.76	21696.33
MitsuiFud	986.24	23.57	1007.12	684.38	-	-	-
MitUFJFin	748.00	-7.10	828.30	603.50	3.72	7.26	70783.28
Mizuho Fin	1677.5	-39.50	1727.5	1404	4.98	7.68	31336.65
Murata Mfg	7582	118.00	9410	6604	1.69	14.58	37694.74
Nippon T&T	3819	-1.00	4128	3054	2.94	11.52	101761.68
NipponTT	3819	-1.00	4128	3054	2.94	11.52	101761.68
Nissan Mt	489.20	-2.00	643.00	436.50	-	14.88	15189.97
Nomura	499.50	-1.20	562.20	460.30	4.92	-32.18	11882.34
Nppn Stl	2194	1.50	2318.5	1692	3.90	3.24	15338.81
Panasonic	1280	6.00	1325	1006.5	2.09	12.12	23108.89
Seven & I	5551	-28.00	6083	4572	1.98	19.79	36199.81
ShnEtsuCh	17850	280.00	20200	14185	1.74	16.02	53964.38
Softbank	6047	95.00	7180	4210	0.78	4.87	76647.54
Sony	11325	70.00	14745	9213	0.57	13.55	105066.95
SumitomoF	4626	-47.00	4816	3672	4.62	8.43	46783.79
Takeda Ph	4033	-17.00	4063	3015	4.77	13.56	46946.06
TokioMarine	2802.5	-24.50	2970.5	1906.67	8.39	4.27	42059.15
Toyota	1998.5	-12.00	2375.5	1805	2.73	8.44	239869.8
Mexico (Mex$)							
AmerMvl	18.70	-0.05	21.44	15.66	1.77	14.90	41449.8
FEMSA UBD	152.30	-1.68	169.96	120.63	1.35	122.70	17191.43
WalMrtMex	72.97	-3.28	82.93	64.81	0.70	35.83	66549.6
Netherlands (€)							
ASML Hld	582.20	21.10	733.20	376.10	0.57	45.76	246123.85
Heineken	91.18	2.90	100.95	77.50	1.06	16.09	55074.84
ING	11.44	-0.15	14.00	7.90	5.15	9.47	44721.08
Unilever	48.69	0.68	48.81	39.36	2.94	24.99	151394.67
Norway (Kr)							
DNB	190.10	-0.40	220.50	168.05	9.16	12.13	30406.63
Equinor	376.90	-2.20	410.95	225.15	1.31	16.23	122765.49
Telenor	95.94	0.64	148.80	88.54	9.39	16.19	13772.15
Qatar (QR)							
QatarNtBk	19.52	-0.08	27.00	18.40	2.63	15.52	49507.81
Saudi Arabia (SR)							
AlRajhiBnk	80.50	-	117.40	78.60	2.62	15.50	85655.4
NatnlcomBnk	51.40	-	82.00	50.60	2.48	19.59	61227.43
SaudiBasic	83.00	-	141.40	81.10	3.45	12.26	66236.61
SaudiTelec	38.45	-	48.88	37.10	9.16	7.72	51140.5
Singapore (S$)							
DBS	34.95	-0.24	37.49	29.45	3.20	14.86	66352.44
JardnMt US$	49.68	1.36	62.10	42.60	3.14	9.13	14398.46
OCBC	12.35	-0.09	13.54	11.11	3.09	12.77	40939.68
SingTel	2.68	-0.04	2.88	2.31	2.54	46.90	32634.41
UOB	31.33	0.13	33.33	25.87	2.88	14.45	38702.8
South Africa (R)							
Firstrand	60.79	-6.17	79.34	56.70	4.32	10.86	19373.6
MTN Grp	132.03	-8.79	211.49	115.46	-	17.77	14134.19
Naspers N	2671.3	35.21	2853.25	1392.5	0.22	14.18	66096.29
South Korea (KRW)							
HyundMobis	213500	500.00	265500	189500	1.86	8.41	15486.3
KoreaElePwr	20650	-50.00	25100	16500	5.88	-12.18	10198.53
SK Hynix	84700	-300.00	134000	80400	1.80	6.12	47437.62
SmsungEl	62600	400.00	80800	51800	2.28	10.94	287501.15
Spain (€)							
BBVA	5.57	-0.05	6.12	3.97	6.55	7.71	35196.4
BcoSantdr	2.82	-0.03	3.48	2.32	2.67	5.74	49602.43
CaixaBnk	3.42	-0.14	3.64	2.22	0.77	22.89	28900
Iberdrola	10.92	0.14	11.49	8.47	3.80	19.06	72820.4
Inditex	25.17	0.31	29.89	18.55	0.86	27.03	82262.28
Repsol	14.82	0.02	16.23	9.63	3.98	9.20	22563.99
Telefonica	3.64	0.05	5.06	3.24	9.34	2.70	22032.42
Sweden (SKr)							
AtlasCpcoB	118.06	1.10	133.60	22.08	6.41	7.67	17793.63
Ericsson	67.19	2.07	117.32	58.81	3.47	9.64	19933.12
H & M	117.60	0.94	191.86	98.25	5.54	15.78	16586.44
Investor	193.92	0.92	228.75	158.22	1.87	8.12	34115.29
Nordea Bk	109.82	0.32	113.78	85.25	13.78	12.48	39112.92
SEB	121.10	1.35	136.15	91.64	8.63	9.85	25194.05
SvnskaHn	106.45	0.80	107.45	80.88	4.86	10.17	19989.82
Swedbank	170.80	1.60	189.60	124.50	8.83	8.88	18669.38
Telia Co	29.03	0.41	41.70	27.93	7.14	9.97	11463.69
Volvo	193.04	1.06	218.65	148.24	3.49	12.24	29608.61
Switzerland (SFr)							
ABB	29.54	0.18	33.86	23.84	2.63	14.43	61799.03
CredSuisse	2.70	-0.12	9.26	2.65	3.46	-4.32	7617.93
Nestle	113.72	1.38	128.90	103.42	2.26	20.10	332992.61
Novartis	84.10	0.45	88.42	73.10	3.35	9.30	215250.98
Richemont	123.00	-1.05	146.10	90.28	1.49	29.86	68366.07
Roche	310.00	2.20	404.20	298.60	2.65	21.14	231905.91
Swiss Re	84.98	0.76	102.20	68.18	6.50	20.90	28729.09
Swisscom	516.80	8.60	587.40	443.40	3.97	15.65	28505.82
UBS	17.39	0.17	19.90	13.10	1.86	9.12	65264.76
Zurich Fin	453.70	0.80	461.70	376.20	4.13	15.39	72686.77
Taiwan (NT$)							
Chunghwa Telecom	111.50	-2.00	132.50	105.50	3.85	24.23	28242.54
Formosa PetChem	84.30	-0.30	103.50	75.20	0.70	16.21	26220.78
HonHaiPrc	103.00	2.50	116.00	99.50	3.89	10.37	46623.46
MediaTek	741.00	8.00	1200	533.00	5.01	10.53	38698.54
TaiwanSem	498.50	8.50	650.00	370.00	2.15	19.81	422069.31
Thailand (THB)							
PTT Explor	33.25	-	41.25	32.75	5.76	9.25	27157.98
United Arab Emirates (Dhs)							
Emirtestele	24.30	0.70	38.98	11.60	2.75	27.17	57535.64
United Kingdom (p)							
Anglo American	3301.5	-106.00	4292.5	2487.5	5.40	6.54	54170.92
AscBrFd	1587.5	6.50	2063	1223	0.39	26.24	15387.36
AstraZen	11200	34.00	11540	8090.32	1.85	1896.38	212887.48
Aviva	445.50	1.20	606.58	341.92	4.79	58.62	15319.35
Barclays	158.28	-2.96	209.45	132.06	1.90	3.84	30784.44
BP	489.45	-8.05	503.30	319.95	3.22	17.76	109147.85
BrAmTob	3391	-	3645	2525	6.36	11.47	93113.45
BT	120.55	-0.85	201.40	113.80	-	11.70	14685.05
Compass	1866.5	-5.50	1970.5	1471	0.75	45.41	40239.28
Diageo	3846	38.00	4097	3282.5	1.89	29.58	107256.72
GlaxoSmh	1415.4	8.60	2753.96	1280.92	5.65	16.34	70620.47
Glencore	556.70	-6.80	567.60	346.40	1.59	20.38	87963.69
HSBC	497.90	-11.80	567.20	418.25	3.24	10.88	121960.21
Imperial Brands	2106	-19.00	2185	1434.23	6.56	7.04	24340.29
Jardine Mathes.	62.50	-	60.50	46.89	2.49	11.48	18114.01
LlydsBkg	46.13	-0.78	56.00	38.10	5.57	6.41	38061.86
LSE Group	8270	22.00	8612	6230	0.93	84.56	51645.38
Natl Grid	1025	10.50	1271.45	844.29	4.80	23.89	46022.55
Natwest Group	257.40	-4.50	284.42	196.92	4.08	10.13	30514.01
Prudential	1016	36.60	1334	782.40	1.16	16.50	34265.26
ReckittB	6038	90.00	6824	5400	2.89	-26.13	53008.16
RELX	2334	22.00	2474	2056	2.04	30.79	54837.65
RioTinto	5598	13.00	6343	4436.95	8.97	5.85	85805.29
RollsRoyce	86.93	-3.99	161.91	64.44	-	59.14	8922.87
Shell PLC	2382	-62.00	2527	1535.56	2.54	12.55	206391.54
StandCh	594.80	-22.60	641.00	414.00	1.49	13.34	21121.17
Tesco	228.70	1.20	304.10	194.35	4.00	11.64	20765.69
Unilever♦	4179.5	35.50	4181	3267.5	3.46	21.46	129969
Vodafone	91.52	-0.32	141.60	89.87	8.45	-204.74	30799.16
WPP	873.80	8.20	1231.5	713.00	3.03	16.64	11479.2
United States of America ($)							
21stC Fox A	32.23	-0.23	44.95	28.02	1.32	14.41	9747.24
3M	126.06	0.09	179.18	107.07	4.25	13.75	69678.77
AbbottLb	107.83	0.25	142.60	93.25	1.51	30.22	188010.96
Abbvie	160.62	-0.57	175.91	115.60	2.93	27.49	284044.5
Accenture	302.66	1.73	417.37	242.95	1.11	33.93	201203.27
Activision Bli.	74.34	0.39	82.00	56.40	0.57	23.86	58180.37
Adobe	343.36	-1.57	678.78	274.73	-	37.30	159628.06
Advanced Micro	77.02	-0.61	160.88	54.57	-	33.09	124183.67
AEP	96.52	-0.28	105.60	80.22	2.82	21.49	49598.12
Aflac	72.07	0.14	72.70	52.07	1.66	12.45	44812.3
AirProd	312.16	2.00	312.16	216.24	1.74	36.20	69256.57
Allstate	133.50	-0.40	144.46	106.11	2.20	8.68	35405.48
Alphabet	101.13	0.14	151.55	83.34	-	1.00	604049.49
Altria	46.73	0.15	57.05	40.35	6.82	38.50	83739.27
Amazon	96.20	-0.35	177.99	85.87	-	1.64	981348.12
AmerAir	14.14	-0.30	21.42	11.65	-	-4.17	9186.35
AmerExpr	156.85	-0.75	199.55	130.65	1.08	16.82	117199.71
AmerIntGrp	63.04	-0.07	65.73	47.05	1.84	6.43	46837.46
AmerTower	221.75	0.50	291.99	178.17	2.13	43.26	103248.04
Amgen	281.82	-4.58	296.67	198.64	2.26	30.27	150373.29
Amphenol Corp	80.60	0.17	88.45	61.67	0.88	35.45	47961.64
Analog Devices	170.81	-1.10	188.20	133.48	1.48	63.33	86992.84
Anthem	482.58	12.71	-	-	-	-	-
Aon Cp	304.39	-3.89	341.98	246.21	0.59	60.56	62963.97
Apple	147.65	-0.38	182.13	129.04	0.53	27.04	2348833.62
Applied Materi.	107.07	-2.54	167.06	71.12	0.80	16.31	92109.02
Aptiv	106.00	-0.68	170.76	77.96	-	60.33	28719.3
ArcherDan	91.40	-6.10	98.88	61.80	1.47	21.07	50209.15
AT&T	19.20	-0.09	21.53	14.46	9.81	7.68	136802.77
Autodesk	206.08	4.13	285.38	163.20	-	100.62	44484.23
AutomData	264.91	0.77	269.40	192.26	1.31	45.28	109892.02
AutoZone	2550.65	-28.35	2610.05	1703.32	-	25.45	48414.97
Avago Tech	546.23	-4.80	677.76	415.07	2.49	34.06	221225.77
BakerHu	29.12	0.10	39.78	20.42	2.30	74.42	29162.74
Bank of NY	45.52	-0.38	64.63	36.22	2.59	12.14	36792.9
BankAm	36.64	-0.99	50.11	29.31	1.93	11.33	293941.92
Baxter	56.64	0.40	89.70	49.83	1.73	24.72	28553.4
BectonDick	251.10	1.76	277.29	215.90	1.21	47.97	71155.66
BerkshHat	475503.87	-4776.13	544389.26	393012.25	-	8.83	283793.07
Biogen	305.43	0.26	311.88	187.16	-	32.43	43981.63
BlackRock	721.74	5.74	933.06	503.12	2.07	20.85	108401.4
Boeing	176.87	-2.01	223.23	113.02	-	-27.31	105026.19
Booking Holdings	2063.74	-15.71	2715.66	1616.85	-	80.89	80051.21
Bristol-Myers	80.49	0.21	81.19	53.91	2.26	28.48	171124.02
Broadcom	546.23	-4.80	677.76	415.07	2.49	34.06	221225.77
Cadence Design	174.97	2.93	194.97	132.32	-	77.28	47997.07
CapOne	100.49	-2.75	160.54	90.27	1.80	4.12	38356.89
CardinalHlth	79.47	-0.70	81.57	45.85	2.23	45.46	20830.61
Carnival	10.19	0.26	23.86	6.11	-	-1.34	11332.92
Caterpillar	234.19	-2.22	239.85	160.60	1.66	21.86	121874.67
Centene Corp	85.51	-1.54	98.53	69.51	-	41.41	48420.87
CharlesSch	81.16	-1.38	96.24	59.35	0.80	31.67	147374.04
Charter Comms	390.42	-0.87	693.09	297.66	-	17.62	60777.57
Chevron Corp	182.37	-0.94	189.68	110.73	2.64	24.74	352637.66
Chipotle Mexic.	1620.87	-6.09	1776.67	1196.28	-	78.15	44932.32
Chubb	217.97	-1.62	222.00	173.78	1.32	12.49	90468.51
Cigna	323.66	-5.23	331.05	192.36	1.12	22.72	98955.49
Cintas Corp	459.99	-1.80	463.72	343.86	0.72	44.52	46709.33
Cisco	50.06	0.34	64.29	38.61	2.70	19.62	205678.47
Citigroup	47.80	-0.61	69.11	40.01	3.87	5.20	92581.57
CME Grp	178.84	2.34	256.94	166.58	1.82	27.09	64331.42
Coca-Cola	63.80	0.19	67.20	52.28	2.39	31.31	275882.32
Cognizant	62.86	0.65	93.47	51.33	1.38	17.14	32305.1
ColgtPlm	77.93	0.45	85.18	67.84	2.08	33.74	65088.24
Comcast	36.74	0.10	53.32	28.39	2.47	13.34	158473.48
ConocPhil	123.89	0.38	138.49	66.06	1.43	22.53	154369.51
Constellation	255.62	-1.74	261.53	207.59	1.09	-1270.83	41211.4
Corning	34.30	0.17	43.47	28.98	2.54	29.58	29007.1
Corteva	66.18	-0.98	68.43	43.74	0.73	30.82	47284.37
Corteva	66.18	-0.98	68.43	43.74	0.73	30.82	47284.37
Costco	503.96	-35.29	612.27	406.51	0.57	44.42	223053.1
CrownCstl	142.02	0.59	208.69	121.71	3.48	58.73	61501.48
CSX	32.54	-0.15	38.63	25.80	1.09	19.84	68412.38
CVS	101.45	-0.43	111.25	86.28	1.79	18.83	133301.94
Danaher	274.44	1.03	330.46	233.71	0.30	34.57	199782.08
Deere	442.79	1.79	448.40	283.81	0.81	26.85	133642.71
Delta	35.47	0.10	46.27	27.20	-	47.00	22739.75
Devon Energy	68.46	-0.06	79.40	35.55	2.61	18.04	44752.3
Digital Realty	112.42	-0.04	176.53	85.76	3.74	20.90	32323.25
DiscFinServ	107.18	-1.19	129.12	87.64	1.59	6.64	29282.97
Disney	98.24	0.37	157.50	86.28	-	63.06	179149.68
Dollar General	233.93	-21.75	262.21	183.25	0.66	25.16	52767.99
DominRes	60.47	0.03	88.78	57.95	3.77	20.93	50388.15
DukeEner	100.43	0.50	116.33	83.76	3.52	22.49	77337.4
DuPont	70.57	0.06	84.08	49.52	1.54	24.12	35058.4
Eaton	163.03	-0.42	174.47	122.50	1.69	33.71	64837.03
eBay	45.30	-0.15	68.65	35.92	1.44	131.61	24579.74
Ecolab	151.99	2.16	236.89	131.04	1.16	42.92	43291.02
Edwards Lifesc.	77.79	0.54	131.73	67.13	-	36.09	48091.39
Eli Lilly	370.89	-0.20	375.19	231.87	0.83	66.91	352406.73
Emerson	95.48	-0.29	100.00	72.41	1.93	23.02	56466.87
EOG Res	140.89	-1.04	150.88	80.67	1.04	19.47	82757.31
Equinix	700.60	9.95	847.10	494.89	1.48	139.88	64832.2
EquityResTP	64.24	-0.62	94.32	59.32	3.40	20.70	24277.51
Exelon	41.33	-0.05	50.71	29.10	3.35	26.22	41066.39
ExxonMb	110.68	-0.66	114.66	57.96	2.86	22.67	455812.72
Fedex	181.46	-0.76	260.50	141.92	1.43	10.78	47219.48
Fidelity NIS	73.05	0.47	122.06	56.53	1.93	120.38	43346.37
Fiserv	104.84	0.48	110.94	87.03	-	58.17	66576.34
FordMtr	14.15	0.25	25.87	10.61	0.64	3.51	55867.69
Franklin	27.29	0.48	35.18	20.24	3.75	7.97	13632.95
GenDyn	251.05	-1.35	254.99	189.43	1.68	24.00	68924.14
GenElectric	85.70	-0.27	101.91	59.93	0.34	-29.12	93641.66
GenMills	84.81	-0.49	86.73	61.41	2.20	24.74	50337.76
GenMotors	40.78	0.31	67.21	30.33	-	6.72	57928.91
GileadSci	88.26	0.43	88.97	57.17	2.91	19.77	110699.56
GoldmSchs	382.14	-4.01	401.75	277.84	1.54	7.10	129405.82
Halliburton	38.00	0.11	43.99	20.77	0.63	23.57	34501.24
HCA Hold	240.70	0.48	279.02	164.47	0.72	12.56	68049.91
Hew-Pack	29.97	-0.07	41.47	24.08	2.54	5.97	30147.99
Hilton Worldwi.	142.37	-0.25	167.99	108.41	-	107.67	38504.82
HiltonWwde	142.37	-0.25	167.99	108.41	-	107.67	38504.82
HomeDep	327.30	3.31	420.61	264.51	1.84	23.05	335065.66
Honywell	217.56	-1.99	220.96	166.63	1.57	30.37	146270.42
HumanaInc	545.97	-3.93	571.30	363.73	0.46	26.59	69119.98
IBM	148.04	-0.86	150.46	115.55	4.01	31.37	133846.87
IDEXX Laborato.	436.67	10.80	664.70	317.06	-	56.06	36163.68
IllinoisTool	227.41	-0.06	248.11	173.52	1.88	29.51	69857.25
Illumina	221.60	3.52	397.44	173.45	-	48.55	34856.89
Intcntl Exch	109.22	0.91	138.46	88.60	1.09	16.80	61005.01
Intel	29.77	-0.31	55.00	24.59	4.23	6.76	122840.16
Intuit	415.84	8.25	684.07	339.36	0.56	57.50	116820
John&John	178.28	0.28	186.69	155.72	2.13	25.20	466110.14
JohnsonCn	66.95	0.51	81.69	45.52	1.56	33.75	45974.83
JPMrgnCh	135.91	-2.27	163.39	101.28	2.53	9.77	398651.88
Kimb-Clark	136.48	0.85	144.53	108.74	3.13	28.28	46060.92
KinderM	19.14	0.02	20.20	15.01	5.26	45.64	43010.54
KLA Corp	387.68	-5.47	442.44	250.20	0.91	22.03	54941.36
Kraft Heinz	39.55	0.20	44.87	32.73	3.66	53.25	48439.86
Kroger	48.62	-0.58	62.78	40.18	1.47	24.50	34798.92
LasVegasSd	46.55	-0.29	48.27	28.88	-	-34.04	35571.94
LibertyGbl	19.91	-0.17	29.08	15.22	-	0.94	3422.57
Lilly (E)	370.89	-0.20	375.19	231.87	0.83	66.91	352406.73
Linde	336.53	1.22	346.50	262.47	1.14	50.76	166373.54
Lockheed	483.21	-1.98	494.66	328.20	2.08	22.91	126636.76
Lowes	214.10	1.55	263.31	170.12	1.28	19.45	132888.89
Lyondell	85.14	0.13	117.22	71.46	4.72	5.61	27723.66
Marathon Ptl	121.45	-0.36	127.62	59.96	1.73	66.39	56918.86
Marsh&M	172.45	-0.73	183.14	142.80	1.41	29.29	85536.84
MasterCard	356.61	0.21	399.92	276.87	0.57	44.95	340135.7
McDonald's	273.12	0.33	281.67	217.68	1.74	30.04	200039.61
McKesson	382.32	0.64	401.78	215.27	0.42	47.81	54210.48
Medtronic	79.49	0.45	114.44	75.83	2.84	23.95	105654.39
Merck	109.20	-0.93	110.98	71.50	2.19	24.81	276852.56
Meta	196.64	0.99	384.33	169.00	-	15.41	450997.53
Metlife	77.00	0.30	77.36	57.05	2.23	11.63	60414.68
Microsoft	253.19	-1.95	344.30	213.43	0.82	29.77	1887398.06
Mnstr Bvrg	102.58	-0.28	104.49	71.78	-	44.07	53522.55
MondelezInt	67.86	0.25	69.47	54.72	1.78	24.65	92670.87
Monsanto	10.02	-0.01	10.03	9.66	-	50.72	250.50
MorganStly	92.93	-0.14	109.73	72.05	2.05	12.78	157061.87
Netflix	317.16	11.63	654.52	162.71	-	31.16	141142.7
NextEraE	84.30	-0.40	92.91	67.22	1.75	122.27	167517.9
Nike	111.24	1.55	173.37	82.22	0.95	32.10	140570.87
NorfolkS	256.22	-0.28	296.87	203.65	1.47	23.36	59318.57
Northrop	528.07	-5.22	556.27	345.91	1.06	13.39	81276.39
NXP	174.25	-1.59	239.91	132.08	1.17	28.34	45154.25
Occid Pet	69.20	-0.29	77.13	26.05	0.05	37.09	62896.86
Oracle	83.50	0.47	106.34	60.78	1.40	34.86	225116.41
Pepsico	185.19	-0.32	186.62	153.37	2.08	37.25	255137.97
Perrigo	32.26	0.29	43.90	31.30	2.70	-36.35	4343.48
Pfizer	50.55	0.42	61.71	41.45	2.80	14.20	283724.98
Phillips66	107.19	-1.26	113.53	67.93	3.06	39.85	50659.08
PhilMorris	101.50	1.83	112.48	82.85	4.37	19.22	157345.53
PNCFin	165.53	-2.73	214.50	143.52	2.63	14.39	66761.4
PPG Inds	134.96	-0.26	172.78	107.06	1.59	32.70	31719.3
ProctGmbl	149.42	0.26	165.35	122.18	2.17	28.04	356441.33
Prudntl	107.81	-0.23	124.22	85.46	3.86	6.10	40103.46
PublStor	294.37	-3.59	421.76	270.73	2.46	32.93	51702.67
Qualcomm	126.71	0.22	192.68	101.93	1.92	16.03	142036.31
Raytheon	99.28	0.56	106.02	79.00	1.83	42.49	145947.63
Regen Pharm	767.99	16.29	769.63	538.01	-	11.78	82238.74
S&P Global	363.73	10.93	484.21	279.32	0.77	32.10	118503.23
Salesforce	143.86	-16.40	276.94	136.04	-	106.31	143855
Schlmbrg	51.50	-0.05	56.04	27.65	0.88	43.08	73026.68
Sempra Energy	166.51	0.32	176.47	119.56	2.39	45.85	52339.65
Shrwin-Will	250.75	1.57	354.15	195.24	0.79	39.67	64980.21
SimonProp	118.30	-1.14	161.87	86.02	5.47	19.10	38677.69
SouthCpr	60.97	-0.06	79.32	42.42	4.75	15.33	47131.95
Starbucks	102.35	0.15	117.34	68.39	1.63	30.54	117471.59
StateSt	78.68	-0.99	103.76	58.62	2.51	12.08	28870.85
Stryker	240.58	6.69	279.28	188.84	0.97	50.99	91042.67
Sychrony Fin	36.37	-1.21	48.40	27.22	2.25	5.29	16386.19
T-MobileUS	152.02	0.56	154.38	101.51	-	69.65	189136.31
Target	164.36	-2.71	254.87	137.16	1.76	12.75	75648.77
TE Connect	127.33	1.21	164.12	104.76	1.41	19.10	40392.97
Tesla Mtrs	194.60	-0.10	390.95	166.19	-	43.85	614498.63
TexasInstr	176.90	-3.56	199.90	144.46	2.16	23.65	160549.44
TheTrvelers	188.93	-0.88	191.02	145.40	1.74	12.86	44275.28
ThrmoFshr	563.24	3.02	668.94	475.77	0.17	31.96	220900.23
TJX Cos	79.64	-0.41	81.17	53.69	1.19	32.26	92024.35
Truist Financial Corp	46.31	-0.51	66.10	40.01	3.64	11.44	61435.91
Twitter	53.70	0.35	60.16	31.30	-	-224.30	41093.72
UnionPac	215.57	-1.86	278.94	183.70	1.94	21.99	132532.61
UPS	190.50	0.77	233.72	154.87	1.94	14.33	139030.89
USBancorp	45.21	-0.18	60.50	38.39	3.53	9.79	67174.08
UtdHlthcre	538.91	-8.85	558.10	439.22	0.94	32.91	503530.06
ValeroEngy	132.33	-1.30	146.81	65.13	2.68	64.36	51014.37
Verizon	38.51	-0.47	55.51	34.55	5.96	7.99	161734.97
VertexPharm	319.51	3.11	323.61	194.10	-	39.15	82015.49
VF Cp	34.16	1.34	78.17	26.46	5.22	12.37	13273.42
Visa Inc	216.82	-0.18	235.85	174.60	0.56	39.64	353019.64
Walgreen	41.19	-0.32	53.46	30.39	4.22	6.59	35617.33
WalMartSto	152.00	-0.43	160.77	117.27	1.32	34.14	412550.6
Walt Disney	98.24	0.37	157.50	86.28	-	63.06	179149.68
Waste Manage.	168.21	1.14	175.98	138.58	1.24	43.29	69046.35
WellsFargo	46.94	-1.02	60.30	36.54	1.49	10.47	178845.39
Williams Cos	34.92	0.22	37.97	24.86	4.25	31.09	42544.43
Workday	166.71	-1.19	285.58	128.72	-	1519.48	33675.42
Yum!Brnds	129.42	0.76	139.85	103.97	1.40	27.43	36456.04
Zoetis	156.55	2.41	249.27	124.15	0.58	40.48	72963.57
Zoom	76.72	1.29	211.50	69.54	-	18.65	19255.54
Venezuela (VEF)							
Bco de Vnzla	1.75	-	2.14	0.32	122.66	-	583.36
Bco Provncl	4.20	-	4.20	1.70	-	0.00	142.34

Closing prices and highs & lows are in traded currency (with variations for that country indicated by stock), market capitalisation is in USD. Highs & lows are based on intraday trading over a rolling 52 week period.
♦ ex-dividend
■ ex-capital redistribution
price at time of suspension

FT 500: TOP 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
China Vanke	15.74	16.06	-0.32	-1.99	2.92	22.8	31.83
SandsCh	21.45	21.00	0.45	2.14	3.73	21.0	63.11
Chna Utd Coms	4.72	4.41	0.31	7.03	0.73	18.3	39.64
SHOP	56.67	55.26	1.41	2.55	7.54	15.3	20.39
PingAnIns	47.55	47.75	-0.20	-0.42	5.75	13.8	46.69
ChinaMBank	39.05	39.20	-0.15	-0.38	4.30	12.4	46.34
Workday	166.71	167.90	-1.19	-0.71	17.37	11.6	6.91
PngAnBnk	13.10	13.03	0.07	0.54	1.28	10.8	22.66
ChUncHK	4.41	4.35	0.06	1.38	0.43	10.8	32.83
Fidelity NIS	73.05	72.58	0.47	0.65	7.12	10.8	-11.99
Petrobras	29.99	30.39	-0.40	-1.32	2.92	10.8	-9.86
HK Exc&Clr	317.20	306.00	11.20	3.66	28.60	9.9	47.30
ChinaLife	11.86	11.86	0.00	0.00	1.02	9.4	31.34
BOE Tech	0.74	0.81	-0.07	-8.64	0.06	8.8	1.37
HaitongSecs	4.82	4.80	0.02	0.42	0.39	8.8	23.59
Netflix	317.16	305.53	11.63	3.81	25.66	8.8	8.57
New Ch Life Ins	18.00	18.22	-0.22	-1.21	1.40	8.4	35.65
ChinaPcIns	17.56	17.62	-0.06	-0.34	1.32	8.1	40.77
LasVegasSd	46.55	46.84	-0.29	-0.62	3.49	8.1	22.63
Bausch Hlth	9.75	9.43	0.32	3.39	0.72	8.0	3.08

Based on the FT Global 500 companies in local currency

FT 500: BOTTOM 20

	Close price	Prev price	Day change	Day change %	Week change	Week change %	Month change %
CredSuisse	2.70	2.82	-0.12	-4.36	-0.85	-24.0	-31.25
Midea	0.34	0.36	-0.02	-5.56	-0.04	-9.3	-6.94
Dollar General	233.93	255.68	-21.75	-8.51	-22.40	-8.7	-8.29
TrnCan	59.66	59.60	0.06	0.10	-5.51	-8.5	0.17
Firstrand	60.79	66.96	-6.17	-9.21	-5.58	-8.4	-7.43
Suncor En	44.39	44.23	0.16	0.36	-3.33	-7.0	-6.91
Unicred	12.55	13.02	-0.47	-3.64	-0.79	-5.9	2.38
Costco	503.96	539.25	-35.29	-6.54	-30.53	-5.7	0.44
ArcherDan	91.40	97.50	-6.10	-6.26	-5.38	-5.6	-5.81
Salesforce	143.86	160.25	-16.40	-10.23	-8.39	-5.5	-11.67
ShenwanHong	0.09	0.09	0.00	-1.12	-0.01	-5.4	-2.22
ValeroEngy	132.33	133.62	-1.30	-0.97	-6.89	-4.9	5.48
AmerMvl	18.86	18.75	0.11	0.59	-0.94	-4.7	-0.21
RollsRoyce	86.93	90.92	-3.99	-4.39	-4.12	-4.5	7.83
Telenor	95.94	95.30	0.64	0.67	-4.46	-4.4	2.83
BT	120.55	121.40	-0.85	-0.70	-5.60	-4.4	-6.87
CanImp	61.89	64.79	-2.90	-4.48	-2.85	-4.4	0.27
Bridgestne	5143.00	5167.00	-24.00	-0.46	-218.00	-4.1	-2.15
Linde	317.85	320.10	-2.25	-0.70	-13.00	-3.9	-3.93
UnibailR	51.30	50.64	0.66	1.30	-2.05	-3.8	9.74

Based on the FT Global 500 companies in local currency

BONDS: HIGH YIELD & EMERGING MARKET

Dec 01	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
High Yield US$										
HCA Inc.	04/24	8.36	BB-	Ba2	BB	113.75	4.24	0.00	0.12	-
High Yield Euro										
Aldesa Financial Services S.A.	04/21	7.25	-	-	B	71.10	28.23	0.00	0.64	25.98
Emerging US$										
Peru	03/19	7.13	BBB+	A3	BBB+	104.40	2.60	-	-	0.34
Colombia	01/26	4.50	-	Baa2	BBB-	109.50	2.33	0.16	0.52	1.28
Brazil	04/26	6.00	-	Ba2	BB-	115.15	2.78	-0.01	0.65	1.73
Poland	04/26	3.25	-	A2	A-	111.22	0.98	0.03	0.16	-0.07
Mexico	05/26	11.50	-	Baa1	BBB-	149.00	1.61	0.00	-0.12	0.56
Turkey	03/27	6.00	-	Ba2	BB+	101.26	5.82	0.00	0.17	3.07
Turkey	03/27	6.00	-	B2	BB-	102.88	5.43	0.14	0.83	4.38
Peru	08/27	4.13	BBB+	A3	BBB+	103.50	3.66	0.01	-0.02	0.80
Russia	06/28	12.75	-	Baa3	BBB	168.12	2.48	0.07	0.05	-
Brazil	02/47	5.63	-	Ba2	BB-	101.48	5.52	0.08	0.80	-
Emerging Euro										
Brazil	04/21	2.88	BB-	Ba2	BB-	103.09	0.05	0.01	-0.09	-1.19
Mexico	04/23	2.75	BBB+	A3	BBB+	107.76	0.76	0.00	-0.07	-1.56
Mexico	04/23	2.75	-	Baa1	BBB-	106.48	-0.26	-	-	-0.36
Bulgaria	03/28	3.00	BBB-	Baa2	BBB	117.04	1.00	0.02	-0.15	-1.42

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

BONDS: GLOBAL INVESTMENT GRADE

Dec 01	Red date	Coupon	Ratings S*	Ratings M*	Ratings F*	Bid price	Bid yield	Day's chge yield	Mth's chge yield	Spread vs US
US$										
FleetBoston Financial Corp.	01/28	6.88	BBB+	Baa1	A-	129.00	2.54	-0.01	-0.05	-
The Goldman Sachs Group, Inc.	02/28	5.00	BBB+	A3	A	117.21	2.47	0.00	0.32	-
NationsBank Corp.	03/28	6.80	BBB+	Baa1	A-	127.69	2.72	-0.01	0.06	-
GTE LLC	04/28	6.94	BBB+	Baa2	A-	128.27	2.80	0.00	-0.11	-
United Utilities PLC	08/28	6.88	BBB	Baa1	A-	130.43	2.62	-0.07	-0.22	-
Barclays Bank plc	01/29	4.50	A	A1	A+	96.46	5.02	0.00	0.02	-
Euro										
Electricite de France (EDF)	04/30	4.63	A-	A3	A-	137.45	0.82	-0.01	0.10	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	124.42	0.68	0.00	-0.11	-
The Goldman Sachs Group, Inc.	02/31	3.00	BBB+	A3	A	121.70	0.93	0.00	0.02	-
Finland	04/31	0.75	AA+	Aa1	AA+	111.08	-0.27	0.00	-0.05	-0.87
Yen										
Mexico	06/26	1.09	-	Baa1	BBB-	98.73	1.34	-0.02	-0.14	0.27
£ Sterling										
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	137.45	2.19	-0.03	0.02	-
innogy Fin B.V.	06/30	6.25	BBB	Baa2	A-	128.68	3.20	0.00	-0.01	0.40

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company. US $ denominated bonds NY close; all other London close. *S - Standard & Poor's, M - Moody's, F - Fitch.

INTEREST RATES: OFFICIAL

Dec 01	Rate	Current	Since	Last
US	Fed Funds	3.00-3.25	21-09-2022	2.25-2.5
US	Prime	6.25	22-09-2022	5.50
US	Discount	3.25	22-09-2022	2.50
Euro	Repo	0.53	01-11-2022	0.374
UK	Repo	3.00	02-11-2022	2.25
Japan	O'night Call	0.00-0.10	01-02-2016	0.00
Switzerland	Libor Target	-1.25-0.25	15-01-2015	-0.75–0.25

INTEREST RATES: MARKET

Dec 01 (Libor: Nov 30)	Over night	Change Day	Change Week	Change Month	One month	Three month	Six month	One year
US$ Libor	3.82314	0.006	0.005	0.022	4.14200	4.77857	5.20343	5.57157
Euro Libor	-0.64957	-0.064	0.000	0.001	-0.61943	-0.58057	-0.55600	-0.48571
£ Libor	0.18063	-0.005	0.000	0.027	3.25380	3.68270	4.23690	0.81363
Swiss Fr Libor				-0.002	-0.77540	-0.75300	-0.70280	-0.55320
Yen Libor				0.000	-0.06005	-0.04960	0.03366	0.04867
Euro Euribor				0.015	1.51200	1.97300	2.41400	2.83000
Sterling CDs				0.000	0.50000	0.63000	0.78500	
US$ CDs				0.030	4.18000	4.67000	5.05000	
Euro CDs				0.050	1.46000	1.92000	2.29000	

Dec 01	Short term		7 Days notice		One month		Three month		Six month		One year	
Euro	1.15	1.45	1.20	1.50	1.31	1.61	1.77	2.07	2.14	2.44	2.42	2.72
Sterling					0.45	0.55	0.58	0.68	0.71	0.86	0.90	1.05
US Dollar	3.63	3.83	3.65	3.85	4.08	4.28	4.57	4.77	4.95	5.15	5.18	5.38
Japanese Yen	-0.15	0.05	-0.20	0.00	-0.20	0.00	-0.15	0.05	-0.10	0.20	-0.05	0.25

Libor rates come from ICE (see www.theice.com) and are fixed at 11am UK time. Other data sources: US $, Euro & CDs: Tullett Prebon; SDR, US Discount: IMF; EONIA: ECB; Swiss Libor: SNB; EURONIA, RONIA & SONIA: WMBA.

BOND INDICES

	Index	Day's change	Month's change	Year change	Return 1 month	Return 1 year
Markit IBoxx						
ABF Pan-Asia unhedged	197.33	0.34	5.42	-10.22	4.98	-9.73
Corporates(£)	328.57	-0.48	4.16	-16.99	3.66	-17.92
Corporates(€)	211.00	-0.15	2.84	-12.64	2.73	-12.74
Eurozone Sov(€)	217.46	-0.20	2.39	-14.53	1.71	-15.91
Gilts(£)	281.94	-0.81	2.95	-21.57	1.83	-23.64
Overall(£)	289.03	-0.71	3.07	-20.15	2.12	-21.96
Overall(€)	211.90	-0.18	2.42	-14.10	1.90	-15.14
FTSE						
Sterling Corporate (£)	-	-	-	-	-	-
Euro Corporate (€)	104.47	-0.05	-	-	0.54	-1.73
Euro Emerging Mkts (€)	687.78	5.34	-	-	14.94	-12.87
Eurozone Govt Bond	110.04	-0.19	-	-	-0.34	-0.64

CREDIT INDICES	Index	Day's change	Week's change	Month's change	Series high	Series low
Markit iTraxx						
Crossover 5Y	442.80	-14.55	0.87	-98.44	688.92	434.12
Europe 5Y	86.70	-4.67	-0.97	-24.02	142.08	85.48
Japan 5Y	75.61	-4.50	-5.56	-27.23	119.29	75.61
Senior Financials 5Y	96.68	-5.67	-0.31	-22.88	155.06	94.99
Markit CDX						
Emerging Markets 5Y	226.18	-9.77	-9.79	-70.02	335.29	226.18
Nth Amer High Yld 5Y	452.57	-25.22	-4.04	-73.06	625.47	452.57
Nth Amer Inv Grade 5Y	75.62	-5.49	-1.86	-15.46	110.98	75.62

Websites: markit.com, ftse.com. All indices shown are unhedged. Currencies are shown in brackets after the index names.

VOLATILITY INDICES

	Dec 01	Day Chng	Prev	52 wk high	52 wk low
VIX	20.48	-0.10	20.58	38.93	16.62
VXD	19.79	0.54	19.25	45.37	3.27
VXN	26.36	-0.10	26.46	44.05	9.94
VDAX	21.06	-0.69	21.75	93.30	-

† CBOE. VIX: S&P 500 index Options Volatility, VXD: DJIA Index Options Volatility, VXN: NASDAQ Index Options Volatility.
‡ Deutsche Borse. VDAX: DAX Index Options Volatility.

BONDS: BENCHMARK GOVERNMENT

	Red Date	Coupon	Bid Price	Bid Yield	Day chg yield	Wk chg yield	Month chg yld	Year chg yld
Australia	-	-	-	-	-	-	-	-
	05/32	1.25	81.85	3.52	-0.07	-0.06	-0.21	-
	02/50	1.00	100.82	1.43	-0.10	-0.24	-0.29	1.14
Austria	02/29	0.50	89.40	2.35	0.04	-0.01	-0.20	2.62
	02/47	1.50	81.80	2.51	0.01	-0.06	-0.34	2.17
Belgium	06/27	0.80	93.99	2.20	0.02	0.01	-0.01	2.65
	06/47	1.60	80.16	2.72	0.00	-0.03	-0.32	2.09
Canada	03/25	1.25	94.52	3.82	-0.03	-0.01	0.03	2.60
	06/30	1.25	88.46	2.98	-0.01	0.01	-0.24	1.52
	12/48	2.75	94.49	3.06	0.01	0.04	-0.30	1.19
Denmark	11/29	0.50	89.42	2.16	0.04	-0.05	-0.24	2.34
	11/52	0.25	63.46	1.85	0.00	-0.08	-0.51	1.69
Finland	09/24	0.00	96.13	2.23	0.09	0.09	0.28	2.92
	09/29	0.50	88.19	2.41	0.03	0.02	-0.17	2.68
France	05/28	0.75	92.48	2.22	0.02	0.02	-0.06	2.55
	05/48	2.00	88.25	2.64	0.00	-0.01	-0.32	2.06
Germany	08/29	0.00	88.19	1.89	0.03	0.00	-0.09	2.38
	08/50	0.00	61.90	1.75	0.01	-0.05	-0.32	1.82
Greece	01/23	3.50	100.34	1.36	-0.16	-0.10	0.28	1.66
	01/28	3.75	101.98	3.32	-0.01	-0.05	-0.74	2.69
Ireland	-	-	-	-	-	-	-	-
	05/26	1.00	96.32	2.12	0.02	-0.02	0.06	2.58
	02/45	2.00	89.12	2.65	0.01	0.00	-0.31	2.10
Italy	02/25	0.35	95.03	2.73	0.04	0.01	-0.04	2.83
	05/30	0.40	92.98	1.40	-0.01	0.00	-0.17	2.12
	03/48	3.45	93.38	3.86	0.03	0.07	-0.32	2.14
Japan	04/25	0.05	99.93	0.08	0.01	0.01	0.04	0.02
	12/29	0.10	99.16	0.22	0.01	0.06	0.04	0.28
	12/49	0.40	77.40	1.41	0.00	0.06	0.03	0.75
Netherlands	07/27	0.75	94.28	2.06	0.04	0.00	-0.04	2.58
	01/47	2.75	113.23	2.05	0.01	-0.04	-0.40	2.05
New Zealand	05/31	1.50	81.35	4.14	-0.01	-0.10	-0.10	1.71
	09/40	2.50	121.14	2.26	0.00	-0.20	-0.12	1.44
Norway	08/30	1.38	87.96	3.16	0.00	-0.03	-0.45	1.69
Poland	01/23	2.50	99.31	7.29	0.26	0.15	-0.10	4.74
	07/27	2.50	83.11	6.87	-0.12	-0.22	-1.48	3.67
	04/47	4.00	60.91	7.55	-0.10	0.00	-0.98	4.03
Portugal	04/27	4.13	107.44	2.31	0.04	0.01	-0.08	2.60
Spain	-	-	-	-	-	-	-	-
	10/29	0.60	87.26	2.64	0.05	0.06	-0.13	2.51
	10/46	2.90	95.46	3.17	0.02	0.03	-0.30	2.12
Sweden	06/30	0.13	117.22	-0.26	0.00	0.04	-0.12	1.80
	03/39	3.50	123.59	1.82	0.04	-0.03	-0.23	1.39
Switzerland	04/28	4.00	115.63	0.99	0.05	0.10	0.09	1.40
	06/29	0.00	93.71	1.00	0.04	0.07	0.03	1.33
United Kingdom	07/23	0.75	98.46	3.19	0.01	0.15	0.24	2.80
	07/27	1.25	91.33	3.28	0.06	0.11	-0.27	2.70
	07/47	1.50	66.99	3.51	0.09	0.23	-0.12	2.57
United States	-	-	-	-	-	-	-	-
	03/25	0.50	91.80	4.23	-0.11	-0.10	-0.11	3.32
	02/30	1.50	86.18	3.70	-0.08	-0.05	-0.35	2.32
	02/50	0.25	69.63	1.64	-0.03	0.07	-0.14	-

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

GILTS: UK CASH MARKET

Dec 01	Price £	Red Yield	Change in Yield Day	Change in Yield Week	Change in Yield Month	Change in Yield Year	52 Week High	52 Week Low	Amnt £m
	-	-	-	-	-	-	-	-	-
Tr 0.75pc '23	98.52	3.11	-1.27	2.30	7.61	658.54	100.82	97.34	34.36
Tr 0.125pc '24	96.40	3.31	-0.60	2.80	6.77	512.96	99.44	94.34	35.55
Tr 2pc '25	96.89	3.18	-0.31	4.26	0.95	467.86	105.86	93.15	39.93
Tr 0.125pc '26	91.21	3.06	-1.92	0.99	-6.99	427.59	98.77	86.33	35.32
Tr 1.25pc '27	91.65	3.20	-1.84	0.63	-7.78	424.59	104.30	85.65	40.99
Tr 0.875pc '29	86.10	3.14	-1.57	1.95	-9.51	342.25	102.36	78.21	43.62
Tr 4.25pc '32	109.34	3.11	-1.58	3.32	-9.86	261.63	135.62	98.13	40.33
Tr 4.25pc '36	109.09	3.39	-1.45	2.73	-8.63	256.84	145.94	94.91	31.68
Tr 4.5pc '42	114.17	3.51	-0.57	4.15	-6.90	261.86	169.96	93.79	28.35
Tr 3.75pc '52	106.00	3.43	-0.29	5.21	-3.92	276.92	180.27	82.51	25.11
Tr 4pc '60	116.89	3.22	-0.92	5.23	-4.45	318.18	213.01	87.32	25.13

Gilts benchmarks & non-rump undated stocks. Closing mid-price in pounds per £100 nominal of stock.

GILTS: UK FTSE ACTUARIES INDICES

Price Indices

Fixed Coupon	Dec 01	Day's chg %	Total Return	Return 1 month	Return 1 year	Yield
1 Up to 5 Years	81.85	0.10	2354.31	0.43	-4.28	3.22
2 5 - 10 Years	150.87	0.38	3210.87	2.44	-13.29	3.16
3 10 - 15 Years	164.61	0.52	3782.08	3.77	-19.96	3.36
4 5 - 15 Years	153.31	0.42	3348.89	2.80	-15.40	3.24
5 Over 15 Years	235.24	0.48	4050.36	3.89	-37.14	3.36
7 All stocks	141.36	0.33	3157.33	2.43	-22.17	3.32

Index Linked	Dec 01	Day's chg %	Month chg %	Year's chg %	Total Return	Return 1 month	Return 1 year
1 Up to 5 Years	326.60	0.37	0.40	2.99	2761.64	0.66	4.17
2 Over 5 years	582.86	0.94	2.42	-38.02	4442.71	2.55	-37.74
3 5-15 years	466.91	0.77	4.15	-15.36	3776.22	4.32	-14.71
4 Over 15 years	673.77	1.06	1.26	-46.66	4985.87	1.38	-46.50
5 All stocks	546.73	0.85	2.14	-33.98	4251.35	2.29	-33.62

Yield Indices	Dec 01	Nov 30	Yr ago		Dec 01	Nov 30	Yr ago
5 Yrs	3.09	3.15	0.57	20 Yrs	3.51	3.54	1.02
10 Yrs	3.26	3.31	0.84	45 Yrs	3.07	3.11	0.65
15 Yrs	3.46	3.49	0.99				

Real yield	inflation 0% Dec 01	inflation 0% Dur yrs	inflation 0% Previous	inflation 0% Yr ago	inflation 5% Dec 01	inflation 5% Dur yrs	inflation 5% Previous	inflation 5% Yr ago
Up to 5 yrs	-0.36	2.81	-0.23	-3.75	-0.71	2.83	-0.59	-4.16
Over 5 yrs	0.06	20.37	0.10	-2.63	0.03	20.42	0.07	-2.66
5-15 yrs	-0.17	9.77	-0.09	-3.17	-0.26	9.78	-0.18	-3.26
Over 15 yrs	0.11	26.93	0.15	-2.57	0.09	26.94	0.13	-2.58
All stocks	0.05	17.63	0.09	-2.65	0.01	17.71	0.06	-2.67

See FTSE website for more details www.ftse.com/products/indices/gilts
©2018 Tradeweb Markets LLC. All rights reserved. The Tradeweb FTSE Gilt Closing Prices information contained herein is proprietary to Tradeweb; may not be copied or re-distributed; is not warranted to be accurate, complete or timely; and does not constitute investment advice. Tradeweb is not responsible for any loss or damage that might result from the use of this information.

COMMODITIES

www.ft.com/commodities

Energy		Price*	Change	Agricultural & Cattle Futures		Price*	Change
Crude Oil†	Jan	81.81	1.26	Corn♦	Dec	662.25	0.25
Brent Crude Oil‡		87.76	3.51	Wheat♦	Dec	767.50	-4.00
RBOB Gasoline†	Jan	2.40	0.01	Soybeans♦	Jan	1463.75	-5.75
Natural Gas†	Jan	7.15	0.22	Soybeans Meal♦	Dec	417.90	0.20
Base Metals (♠ LME 3 Months)				Cocoa (ICE Liffe)⊕	Dec	2151.00	19.00
Aluminium		2511.50	20.50	Cocoa (ICE US)♥	Dec	2446.00	13.00
Aluminium Alloy		1675.00	-905.00	Coffee(Robusta)⊕	Jan	1890.00	31.00
Copper		8335.00	50.00	Coffee (Arabica)♥	Dec	170.45	3.75
Lead		2184.50	5.50	White Sugar⊕		537.50	3.80
Nickel		27445.00	640.00	Sugar 11♥		19.53	0.00
Tin		23200.00	430.00	Cotton♥	Mar	85.51	4.90
Zinc		3077.50	43.00	Orange Juice♥	Jan	200.70	-4.35
Precious Metals (PM London Fix)				Live Cattle♣	Dec	153.05	0.38
Gold		1753.50	0.80	Feeder Cattle♣	May	134.88	-
Silver (US cents)		2156.00	19.50	Lean Hogs♣	Dec	83.08	2.00
Platinum		1025.00	32.00				
Palladium		1908.00	77.00		Nov 30	% Chg Month	% Chg Year
Bulk Commodities							
Iron Ore		101.83	1.36	S&P GSCI Spt	623.46	-2.88	19.53
Baltic Dry Index		1338.00	-17.00	DJ UBS Spot	116.31	2.37	22.07
Richards Bay ICE Futures		250.75	9.75	TR/CC CRB TR	302.42	3.01	29.80
				LEBA EUA Carbon	58.91	-1.98	129.94
				LEBA UK Power	1048.00	-37.43	-39.60

Sources: † NYMEX, ‡ ECX/ICE, ♦ CBOT, ⊕ ICE Liffe, ♥ ICE Futures, ♣ CME, ♠ LME/London Metal Exchange.* Latest prices, $ unless otherwise stated.

BONDS: INDEX-LINKED

	Price Nov 30	Yield Nov 30	Yield Prev	Month return	Value stock	Market	No of stocks
Can 4.25%' 26	111.14	1.373	1.390	0.29	5.25	72604.53	8
Fr 0.25%' 24	103.02	-1.547	-1.484	0.94	17.92	258976.54	17
Swe 1.00%' 25	125.67	-0.212	-0.228	1.01	35.38	219834.04	6
UK 0.125%' 24	104.07	-2.905	-2.931	0.24	15.24	597980.33	31
UK 2.50%' 24	377.60	-0.661	-2.062	0.29	6.82	597980.33	31
UK 2.00%' 35	253.72	-0.103	-0.355	5.74	9.08	597980.33	31
US 0.625%' 24	98.03	2.412	2.636	-0.07	40.98	1634726.42	47
US 3.625%' 28	110.76	1.529	1.780	1.62	16.78	1634726.42	47

Representative stocks from each major market Source: Merill Lynch Global Bond Indices † Local currencies. ‡ Total market value. In line with market convention, for UK Gilts inflation factor is applied to price, for other markets it is applied to par amount.

BONDS: TEN YEAR GOVT SPREADS

	Bid Yield	Spread vs Bund	Spread vs T-Bonds		Bid Yield	Spread vs Bund	Spread vs T-Bonds
Australia	3.52	1.63	-0.18	Netherlands	2.06	0.17	-1.64
Austria	2.35	0.46	-1.35	New Zealand	4.14	2.24	0.44
Canada	2.98	1.09	-0.72	Norway	3.16	1.26	-0.54
Denmark	2.16	0.26	-1.54	Portugal	2.31	0.42	-1.39
Finland	2.41	0.51	-1.29	Spain	2.64	0.75	-1.06
Germany	1.89	0.00	-1.81	Sweden	-0.26	-2.15	-3.96
Italy	1.40	-0.50	-2.30	Switzerland	1.00	-0.90	-2.70
Japan	0.22	-1.67	-3.48	United States	3.70	1.81	0.00

Interactive Data Pricing and Reference Data LLC, an ICE Data Services company.

All data provided by Morningstar unless otherwise noted. All elements listed are indicative and believed accurate at the time of publication. No offer is made by Morningstar, its suppliers, or the FT. Neither the FT, nor Morningstar's suppliers, warrant or guarantee that the information is reliable or complete. Neither the FT nor Morningstar's suppliers accept responsibility and will not be liable for any loss arising from the reliance on the use of the listed information. For all queries e-mail ft.reader.enquiries@morningstar.com

Data provided by Morningstar | www.morningstar.co.uk

Equity Research from Morningstar

Make confident investment decisions powered by our independent global insights and a consistent methodology across our qualitative and quantitative universes.

Get your next investing idea from one of the world's largest independent analyst teams at morningstar.com/products/research/institutional

MORNINGSTAR

Impossible voyage from page to screen

The week's new film releases reviewed by Danny Leigh

Some films are just not meant to be. For almost four decades, Don DeLillo's 1985 novel *White Noise* has been the one that Hollywood let get away. A sly and brilliant fiction of western anxiety, it always felt like a movie in waiting: simply too inspired to go unadapted. Yet successive attempts never cleared the greenlight. Barry Sonnenfeld, the man behind *Men in Black*, spent years trying. Others followed, equally ill-fated. By 2020, the New Yorker had published a short story by novelist Emma Cline — simply called "White Noise" — about a film of the book planned to facilitate the comeback of Harvey Weinstein.

But now, in the age of Netflix waving a magic wand over the expensive fancies of brand-name directors, Noah Baumbach delivers. The result is an antic black comedy of campus manners. Welcome to the world of professor Jack Gladney (Adam Driver), living in American domesticity with yoga-mindful wife Babette (Greta Gerwig) and the offspring of this and previous marriages.

At work, Jack pioneers a hip new field in academia: Hitler studies. Outside it, he suffers a gnawing fear of death, even here where material comfort might almost immunise you from it. At a certain income level, Babette muses, maybe dying is "just documents changing hands".

The novel brims with great lines. Many turn up in the film, sounding exactly like actors quoting Don DeLillo. The Eighties timeframe stays as well. Gladney's "College-on-the-Hill" still feels like the academic hub of Ronald Reagan's "shining city on a hill". But Baumbach conjures the era more interestingly than the usual tactic of loading the soundtrack. His signature films (*Marriage Story*, *The Squid and the Whale*) have a tart New Yorkness, cool to the touch. Here he borrows a hint of vintage Spielberg: precocious kids, suburban mayhem.





Above, from left: Adam Driver, Greta Gerwig and Don Cheadle in 'White Noise'. Below: Mbundu Joely and Pablo Schils in 'Tori and Lokita' — Wilson Webb/Netflix

White Noise
Noah Baumbach
★★★☆☆

Tori and Lokita
Luc and Jean-Pierre Dardenne
★★★★☆

Three Minutes: A Lengthening
Bianca Stigter
★★★★☆

Lynch/Oz
Alexandre O Philippe
★★★☆☆

It makes for a knockabout mood, though one you still imagine will have limited success luring Netflix subscribers from *The Crown*. Full disclosure: I should admit *White Noise* is among my favourite books, making me both the film's natural audience and the most snippy, over-possessive one possible. (Price that into this review of a funny movie from a smart-cookie filmmaker.)

But Baumbach seems torn too, caught between reverence and his own nagging dread that he has to do more than just illustrate an audiobook. The cryptic "airborne toxic event" that forces the Gladneys to flee their home makes the film shape-shift into deadpan disaster movie. Later, familiarity beckons. "All plots tend to move deathward," Jack says. In Noah Baumbach films, they head instead for marital discord, the trials of Jack and Babette amped up into an echo of *Marriage Story*.

Driver plays Jack as a solo act anyway. Gerwig is muffled, which in truth, Babette demands. But these parts must be nightmares to perform. They were simply never movie characters, but vehicles for ideas about mass communication, group identity, the allure of supermarkets. Like everything here, they belong on the page. The more you watch, the more you see precisely why this never became a film before.

With its pace and pulse, DeLillo's *White Noise* might feel cinematic, but really it is a literary enterprise, a novelist teasing up a pastiche sitcom. On screen, Baumbach just makes it a literal one. And the ideas have mostly vanished, even as the one-liners remain, stuffed and mounted as proof that he finally, at least, got it made.
In UK cinemas from December 2 and on Netflix from December 23

Twenty-six years have passed since Luc and Jean-Pierre Dardenne came to international notice with their searing portrait of human trafficking, *La Promesse* (*The Promise*). The Belgian co-directors have since led a social-realist double life: feted at Cannes, while making stark, eloquent films about characters on the margins. Lately, their powers seemed to have dwindled. Now, with *Tori and Lokita*, comes another story of migration, and a potent return to form.

Always unflinching film-makers, the Dardennes open with a long hold on a single face: this is Lokita (Joely Mbundu), a 16-year-old migrant from Benin, here in the brothers' eternal stamping ground of Liège. She is clearly on the cusp of panic, revealed to be that figure most loudly demonised by sections of Europe's press and political class: an undocumented refugee, lying to the authorities about her circumstances. She claims to be the older sister of Tori (Pablo Schils), a sweet if rascally 12-year-old orphan. (Both young actors are exceptional.) In fact, the two are only de facto siblings — having met en route to Belgium, they are furiously keen to stay together.

For a time the film simply observes the children's desperate, ongoing scrabble for money. At a neighbourhood pasta joint, they sing for the customers: the scene might almost be sweet. But the owner's real business is drugs, and Tori and Lokita are his runners. As the boy arrives with a stash at a party, none of the guests are much perturbed by his age. Young and middle-class, we wonder if they might watch arthouse films in their free time.

The Dardennes' spare style can be mistaken for simplicity. Simple is a strange word for the moral knots of what the children must do to survive, or the film's mesh of predatory adulthood: traffickers, the restaurant owner, Lokita's mother demanding she send more money back to Benin. And at the heart of it all is another enduring concern of the brothers: the fate of goodness. Because for all the brutality around them, Tori and Lokita retain exactly that — and 26 years after *The Promise*, the world still so seldom does.
In UK cinemas now

How long does a director need to capture history? David Kurtz took three minutes, the extent of a silent European holiday movie the Brooklyn family man shot in the first half of the last century. It plays in full at the start of another film devoted to decoding it, the unshakeably powerful *Three Minutes: A Lengthening*.

The original amateur 16mm footage features no explicit mention of time or place: just the curious, delighted faces of rowdy boys and beaming girls. This, we learn now from documentary-maker Bianca Stigter, is the small Polish town of Nasielsk. The film was shot among the Jewish people who then made up half the population. It was the summer of 1938.

Stigter lets us sit with our initial loss of bearings. It primes us to see a history we may take for granted anew — and in close-up. The original footage was a family affair. Shot by David Kurtz during a visit to his father's hometown, it was found in a Florida closet in 2009 by his grandson Glenn, whose voice we hear alongside narrator Helena Bonham Carter.

He then refocused attention on his grandfather's subjects, a forensic research project that pieced together Jewish Nasielsk from this single Kodachrome fragment. Freeze-framed and magnified, the pictures speak of the stuff of any town: everyday customs, architectural quirks, social hierarchies, individual backstories.

But most of the people go unidentified. Briefly, Bonham Carter recounts the arrival in Nasielsk of Nazi soldiers. The coming horror gives the attention to detail a vast and vital weight. Memorials list names. Here, overwhelmingly, there are only faces.

Had David Kurtz's footage spent even a month longer in 2009 without being found and restored, decay would have left it physically unwatchable. Stigter's film is thus bound up with both the Holocaust and the frailty of the moving image. Like Abraham Zapruder's record of the Kennedy assassination, you are reminded of its limits. However pored over, film can't return the dead to life. But it can hold precious knowledge: that lives were lived, and how, and where.
In UK cinemas from December 2

Television gets everywhere in the story of film. Take *The Wizard of Oz*, the Hope Diamond of cinema history that was a box-office flop on release in 1939. Instead, its place in American hearts was secured playing on 1950s TV. And among the countless children watching rapt was — it is assumed — the young David Lynch. Such at least is the thesis of Alexandre O Philippe, and his screenhead documentary *Lynch/Oz*. Because yes, the pop surrealist grandmaster has often talked of his obsession with the movie. But you only need see his films to know that: a body of work made by a man assuredly not in Kansas anymore.

Philippe's CV includes *78/52*, a feature-length breakdown of the *Psycho* shower scene. Lions and tigers and nerds, oh my! Here his contributors include directors Karyn Kusama, David Lowery and cult icon John Waters (on brand). At the most literal level we are reminded of *Blue Velvet*'s Dorothy, and many red shoes. Fortunately, the rabbit hole goes deeper, mining the Lynchian fixation with multiple identities. (In the lost-soul actresses of *Mulholland Drive* and *Inland Empire*, we are invited to see Judy Garland.)

Of course, little of this will appeal if you're not pre-sold on Lynch. There is also a solid case that anyone who calls themselves a film lover should have a working knowledge of perhaps the last true artist in American movies. And from his niche, Philippe has universal lessons about the nature of influence. The essence of cinema too: so fond of pulling back the curtain even as it asks us to believe in the wizard.
In UK cinemas from December 2





Left: the influence of 'The Wizard of Oz' on David Lynch is explored in 'Lynch/Oz'. Below: a Jewish community in prewar Poland is the focus of 'Three Minutes: A Lengthening' Jean-Christian Bourcart-Lynch



FT BIG READ. SOUTH ASIA

With the private sector's help, New Delhi has increased spending on infrastructure in neighbouring countries in an effort to compete with China's signature global development initiative.
By Benjamin Parkin and Chloe Cornish



India's answer to Belt and Road

In 2018, Chinese engineers became the first to link the scattered islands of the Maldives by road, inaugurating the 2km Sinamalé Bridge that arched across the waters separating the capital Malé from its airport.

The inter-island bridge was a symbol of Beijing's multibillion-dollar infrastructure lending programme in the Indian Ocean. Now, another regional power is preparing to bankroll its own, even longer, structure in the same area.

With loans and grants, India is funding the $500mn "Greater Malé Connectivity Project", a 7km bridge linking the capital to several surrounding islands, in a project run by India's historic Shapoorji Pallonji Group conglomerate.

This battle of the bridges in the picturesque island chain is one of the clearest examples of a tussle for geoeconomic influence between Beijing and New Delhi. As China's Belt and Road Initiative projects proliferated in south Asia and the Indian Ocean, so too has Prime Minister Narendra Modi's India ramped up its own infrastructure lending in the region.

While India lags far behind China in its overseas lending, New Delhi has stepped up its efforts in recent years, providing tens of billions of dollars in credit to neighbouring countries, including financially distressed BRI-recipients like Sri Lanka. Indian companies have also expanded rapidly in the region, providing a counterweight to Chinese commercial activity.

Modi's government "began to develop this sense that India needs to do something", says C Raja Mohan, a senior fellow at the Asia Society Policy Institute in Delhi. "It has been far more alive to the geopolitical contestation with China."

India's role as a creditor has grown fast. Lending through India's development partnership administration, by which it offers other governments lines of credit, has nearly tripled in value since Modi came to office in 2014 compared to the previous eight-year period, according to the foreign ministry, totalling $32.5bn.

India's cumulative "development assistance" since its independence in 1947 has nearly doubled from $55bn to $107bn since 2014, according to the government-backed RIS think-tank.

The scale is far below what China is attempting through the BRI launched nine years ago, which the American Enterprise Institute think-tank estimates reached $838bn last year.

Yet the foreign ministry said India has extended more than 300 lines of credit for around 600 projects, ranging from a cement factory in Djibouti to the Maldivian bridge. India has also funded everything from training courses to restoring overseas cultural sites such as mosques and temples.

India doesn't have the capability to scale up to the extent of Belt and Road, Mohan says. "But it's doing things, within its scope, where it's offering some competition to China."

Although India, with 1.4bn people, is soon to overtake China as the world's largest country by population, its economy remains about a fifth of the size. Within its own backyard of south Asia, however, it is a colossus that overwhelms its neighbours in scale and economic activity.

Indian policymakers see countering BRI as vital to avoid being surrounded by pro-Chinese governments and infrastructure that they speculate could one day serve Beijing's military interests. India and China have fought multiple conflicts over decades, most recently a deadly clash on their Himalayan border in 2020.

An analysis published last year by the AidData lab at William & Mary college found that India's state-owned ExIm Bank, which provides the overseas credit, was "significantly more likely" to finance projects in a country if the Chinese government had provided finance there within the previous year. It added that this dynamic was even stronger where China had made "public opinion gains relative to India".

But this push is not coming from the public sector alone. While India's state-owned companies have long operated in neighbouring countries, analysts say Modi's government has realised it needs more corporate economic firepower than they can provide.

India has used a mixture of policy and diplomacy, they say, to encourage private corporate champions to pursue deals that offer commercial opportunities in fast-growing markets and help advance New Delhi's interests.

In recent years, conglomerates such as the Adani Group, run by the world's third-richest man Gautam Adani who is a vocal advocate for Modi's government, have expanded into power and infrastructure projects everywhere from Myanmar to Sri Lanka.

Modi's government "wants to do big stuff and it doesn't think that the Indian public sector is up to it", says Kanti Bajpai, a political scientist at the Lee Kuan Yew School of Public Policy in Singapore. "Most Indian businesses are too conservative. It needs an Adani."

Under Prime Minister Narendra Modi, India has ramped up infrastructure lending in south Asia as Chinese-financed projects have proliferated; below, Sri Lanka's Colombo port, where the Adani Group began work on a new $700mn terminal in November
FT illustration: Rory Griffiths/Getty Images; Ishara S Kodikara/AFP/Getty



> 'The global south matters to us, and we've been doing this for a long time. It's not reactive'

> 'It's like what China does. Everywhere that China is, [India is] also there doing something to get a foothold'

Better thy neighbour

India publicly plays down the competition with China. "We'd like to see our neighbours prosper. South-south cooperation is a big part of our foreign policy," says Prabhat Kumar, a foreign ministry official who oversees development partnerships. "The global south matters to us, and we've been doing this for a long time. It's not reactive."

Yet under Modi it has also framed its development finance in terms designed to contrast with Chinese lending practices, which it portrays as predatory.

While inaugurating housing and solar power projects in Mauritius earlier this year, Modi said Indian lending is "based on the needs and priorities of our partners and respects their sovereignty". He has also criticised efforts to create colonial "dependence partnerships".

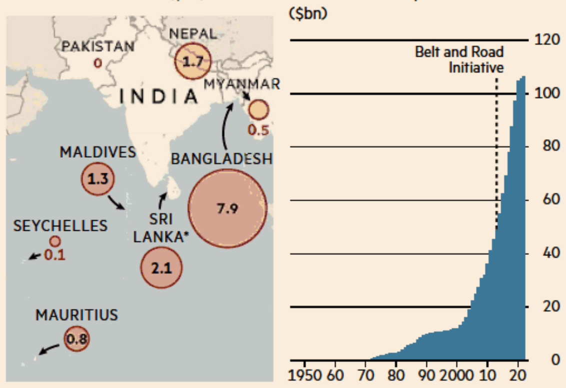
New Delhi's role as a regional lender has come into focus over the past year as the surge in global inflation and a historically strong dollar tipped several of its neighbours into financial trouble.

Nowhere was this more acute than in Sri Lanka, which in May became the first Asia-Pacific country to go bankrupt in two decades after effectively running out of foreign reserves.

As an economic meltdown left the island of 22mn with shortages of everyday basics, India provided nearly $4bn in loans and grants for supplies of fuel, medicine and other food, according to the foreign ministry.

China has also provided food aid and financial assistance worth at least $1.2bn, according to Sri Lanka's envoy in Beijing. But it had previously resisted Sri Lanka's requests to restructure its loans, which total around $7bn.

India's lending to neighbours ... ... as it has grown as a creditor



* Data for Sri Lanka does not include latest lines of credit
Sources: Ministry of External Affairs, India; Research and Information System for Developing Countries

Critics say that Sri Lanka's debt crisis was exacerbated by BRI loans for projects that failed to generate returns, such as the enormous but underutilised Hambantota port which was in 2017 handed over to Beijing on a 99-year lease. A study this month from Johns Hopkins' China Africa Research Initiative found that Indian credit to Sri Lanka had lower effective interest rates, at around 1 per cent in 2021, than Chinese loans at 3.2 per cent.

India's own anxieties about BRI were compounded this year when, against its objections, Sri Lankan authorities allowed a Chinese military surveillance ship to dock at the island's Hambantota port. Indian officials warned that the vessel could be used to spy on New Delhi's military installations.

So it has begun pushing back in a region where it holds significant sway. Earlier this year, New Delhi won a trio of energy projects in northern Sri Lanka previously held by a Chinese developer, after lobbying the Sri Lanka government against the deal over "security" concerns sparked by its proximity to India's coast.

Companies like Adani have also won a number of important infrastructure contracts this year and in September the island's president Ranil Wickremesinghe publicly instructed his officials to "resolve the obstacles" to Indian-backed projects.

But while India presents its own lending as a benevolent alternative to China, those living in the neighbourhood do not always see it that way.

In the Maldives, for example, opposition leaders have fuelled an "India Out" campaign, alleging that Indian-funded projects in the archipelago are a cover to give New Delhi a military foothold.

"It's like what China does," said one south Asian diplomat. "Everywhere that China is, they are also there doing something to get a foothold."

Lifting up south Asia

Historically, New Delhi has had two overarching reasons to spend its limited resources overseas: to increase soft power through development assistance and to fund infrastructure crucial for regional trade, like ports.

State-owned Indian energy companies have for years worked on hydropower projects in smaller neighbours like Nepal, while India spent $3bn on projects in Afghanistan, in an effort to counteract Pakistani influence there.

India eventually launched a line-of-credit programme. Yet, with the country struggling with its own widespread poverty and domestic infrastructure deficit, such initiatives were comparatively modest. For much of its history, India was a large recipient of foreign aid.

The lack of investment in south Asia's ports, railways and other trade-enabling infrastructure helps explain why it remains one of the world's least integrated regions. Intra-regional trade accounts for only 5 per cent of total trade, according to the World Bank, with the animosity between India and Pakistan further stymying activity.

Analysts say improving regional connectivity is a clear necessity for India to boost its own growth.

For example, while New Delhi has in total extended lines of credit worth nearly $8bn to Bangladesh, this includes helping to fund the construction of cross-country transportation networks that will improve links between India's remote north-east and the rest of the country via Bangladesh.

Yet India's efforts acquired added urgency after Beijing responded to the lack of investment in the region by pouring billions of dollars into India's neighbours through BRI.

"Even if China did not exist, India would still be doing most of it," says Constantino Xavier, a fellow at the Centre for Social and Economic Progress. "Not all of it, not that fast, and not with the political importance . . . [but] the private sector is saying that we need the basic infrastructure to trade with our neighbouring countries, and the world."



Gautam Adani says his investments are sound business decisions that also help India and the region's interests

Enter the private sector

To enlist companies in its overseas push, Modi's government in 2015 launched a scheme offering concessional loans for "strategically important infrastructure projects abroad".

Brad Parks, executive director at AidData, says that India's ExIm Bank credit generally carries more concessional terms than Chinese loans. Unlike China's ExIm Bank, India also selects contractors through a competitive bidding process, provided the proceeds purchase Indian goods and services. The government says these schemes create "jobs, demand for material and machinery in India and also a lot of goodwill", according to a 2018 press release.

But while state-owned firms previously took the lead on such contracts, analysts say no prime minister has gone as far as Modi in promoting the private sector in their place, cultivating deep-pocketed, fast-moving Indian tycoons to execute his development agenda at home and abroad.

Sajjan Jindal, the chair of steel-to-energy conglomerate JSW Group, told the Financial Times earlier this year that Modi was "close to every business house in India which is growth oriented, which is nationalistic, which is willing to take big bets".

These include Indian companies like Tata, Larsen & Toubro and the GMR Group, who have all built up business abroad. But chief among them is the Adani Group, which has built the country's largest private logistics network across ports and airports. Adani, who has a years-long relationship with Modi, has quickly become one of the most prominent Indian players in the region.

The Adani Group in November began work on a new $700mn terminal at Sri Lanka's Colombo port, a deal agreed after Sri Lanka authorities last year cancelled a pre-existing Indian project.

It also won contracts for two energy projects on the island, jointly bought a concession for Israel's second-largest port, announced its intention to invest in Tanzania and will next month start supplying electricity from India to neighbouring Bangladesh.

Adani says his overseas investments are sound business decisions which also help India and the region's interests. "We don't do the role of a country," Adani told the FT in a recent interview. But "we are an Indian company, and wherever our country's interest is there, we always feel there is nothing wrong to help India, to help neighbours".

Xavier says that, given the higher risks of operating in certain south Asian countries, large private companies "informally seek support from the government of India for political and sovereign guarantees".

The public-private partnership is vital, he adds. "Any infrastructure investment requires Delhi's diplomatic weight to be successful."

But the proximity between Modi and leading Indian capitalists has proved controversial. Critics both at home and overseas accuse Indian authorities of helping Adani, for example, win lucrative contracts. Sri Lanka's then electricity board chair MMC Ferdinando told the country's parliament in June that a renewable energy project was given to Adani "under pressure from Modi", something all parties strongly denied.

Others argue that Indian sourcing requirements tied to loans crowd out opportunities for domestic firms. "It is like an open playing field for Indian companies," says Hasan Mehedi, a climate and energy activist in Bangladesh.

Analysts say the problems stem in part from the lack of regulation and transparency around how private companies lobby and liaise with Indian authorities overseas. But this remains a project in its infancy. Even as critics in India and elsewhere point to the shortcomings of China's BRI, they say it will take years for India to prove it can scale up its ambitions to those of its larger neighbour.

"Going abroad has its own sets of challenges," said Srinath Raghavan, a historian at Ashoka University in Delhi. "Politics can take its own turn."

The FT View

FINANCIAL TIMES
'Without fear and without favour'

ft.com/opinion

The ECJ's gift to oligarchs under sanctions

A ruling that limits access to corporate registries is a blow in fight against Putin

That noise is the clinking of champagne flutes as oligarchs under sanctions celebrate, perhaps in their Mediterranean villas overlooking their superyachts — even as the war in Ukraine rages. Ownership of those villas and yachts is typically registered to shell companies based in offshore jurisdictions that, for a fee, do not ask too many questions. Thanks to a judgment from the European Court of Justice, trying to pin down the real owners of such assets has become harder, much to the relief of oligarchs — and kleptocrats — under sanctions everywhere.

The judgment is a blow to EU efforts to slam shut Vladimir Putin's war chest through sanctions. Tracing gilded assets that belong to individuals under sanctions has been possible in part thanks to national databases detailing companies' beneficial owners. The registries were created following a decade of scandals — including huge amounts of money siphoned out of the former Soviet Union — that made the EU understand its defences against financial crime were only as strong as its weakest link.

The sad reality is that the woeful resourcing of financial crime investigators means official probes tend only to follow revelations made by journalists or campaigners. The ECJ's occlusion of that transparency, on the grounds of protecting individuals' right to privacy, is making jurisdictions across the world take note, including those that prefer to operate in the shadows. Seven EU countries, including Luxembourg and Ireland, have shuttered access to their registries since the judgment.

Following a challenge by a Luxembourg company and a real estate developer who feared his publicly available details made him vulnerable to extortion and kidnap, the ECJ had to weigh whether Brussels' most recent anti-money-laundering directive interferes too much with privacy rights and data protection rules. It found that the directive's wording was too loose in requiring registries to make information on companies' true owners publicly available.

The judgment is undoubtedly a setback. But it is more nuanced than some campaigners are portraying. Data minimisation is not a bad principle to strive for with public records. The ruling does not automatically ban beneficial-owner registers; it restricts the public's access to them in all cases.

The European Commission ought to respond urgently to the judgment, along with its work on a sixth anti-money-laundering directive. The ECJ has left open the possibility that those with a "legitimate interest" in the data — journalists and NGOs, for instance — retain access, perhaps on a basis that sometimes limits details. The problem for the commission has been defining legitimate interest. Working with advocates on both sides of the debate — transparency campaigners and those worried about privacy incursions — will be vital.

> Woeful resourcing of financial crime investigators means official probes tend only to follow revelations made by journalists or campaigners

Companies House, the UK's registry, ought not to be affected by the judgment; one Brexit dividend the government should trumpet. Yet it is hardly a paradigm to follow. Thousands of companies, many used for dubious purposes, register each year in the UK with nary a check on basic details. Information needs to be both open and verified. Legislation to boost Companies House's ability and resources to check information is still pending, despite a supposed crackdown on Kremlin cronies.

Other EU countries whose registries were not set up under the auspices of the directive, such as Slovakia, argue they should also be unaffected. Such countries can explain that there are also wider principles at stake. Not least that the societal benefit of a limited company, rather than operating in one's own name, comes with strings attached, and that sunlight is the best disinfectant.

Opinion Data Points

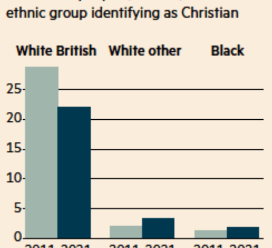
Incendiary claims about UK census distort reality

John Burn-Murdoch



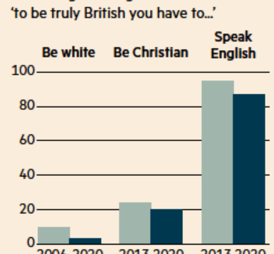
The fall in people identifying as Christian has been driven by white Britons...

Number of people (millions) in each ethnic group identifying as Christian



...and exceptionally few Britons think someone must be white to be British

Percentage who agree that 'to be truly British you have to...'



Sources: left-hand chart: FT analysis of 2011 Census, 2021 Census and Annual Population Survey
Right-hand chart: British Social Attitudes Survey; Ipsos; Pew Research

This week, the latest tranche of data from the UK's 2021 census was published, including figures on race and ethnicity. It was promptly met with a volley of incendiary responses, giving away the eagerness with which some had evidently been waiting to weaponise the results.

Nigel Farage, former leader of the UK Independence party, recorded a hasty video from a union-jack-draped car seat, in which he said that "London, Birmingham and Manchester are all now minority-white cities", and "only 46 per cent [of Britons] now identify as Christian . . . a massive change in the identity of this country that is taking place through immigration".

Conservative commentator Douglas Murray, who has previously described London as having "become a foreign country", echoed Farage in blaming the declining numbers of British Christians on immigration. Others talked of rising segregation and "no-go areas" on social media.

> Segregation is a term culture warriors imported from the US and apply liberally but wrongly here

But almost all of these claims are untrue, as even a cursory look at the data reveals.

First, there's the fact that London (54 per cent white) and Manchester (57 per cent) are not minority white at all, and Birmingham (49 per cent) only makes it under the wire by a hair's breadth. Farage and co must have been looking only at those who identify as both British *and* white.

But if identifying as British is the key, why count only white Britons? (I think we know the answer.) We have data on the share of people in each region that have a British identity. In London, it's 78 per cent — and black and mixed-race Londoners are more likely to identify as British than the white population.

The religion claim is even more risible. The argument is that "mass immigration" has hastened Christianity's decline in Britain. Yet that decline has been driven overwhelmingly by white Britons, less than half of whom now say they are Christian, down from 69 per cent in 2011, a loss of about 7mn.

If preserving the Christian faith is crucial to "saving" Britain, then we should look to the country's black population. Seventy-two per cent of this demographic are Christian, half a million more than in 2011. The non-British white community is also worth examining — 60 per cent are Christian, with a million added since the last census.

One might also ask why this seems to matter so much. As far back as 1995, less than a third of Britons thought being Christian was an important part of being British. By 2020, that had fallen to 20 per cent. The last time I set foot in a church, except for Christmas, Easter, weddings and funerals, was when I went to Doncaster's "iconic" nightclub Camelots, a former Presbyterian chapel behind whose stained-glass windows many sins have been committed. In modern Britain, I suspect a drunken night out provides a stronger source of shared national experience than attending church on a Sunday.

Finally, we come to the warnings over "segregation" and "no-go areas", which again prove unfounded. While Christianity ranks low on the list of things Britons say one requires to be truly British, speaking the language ranks highest. But drill down to even the most monoethnic of Britain's non-white neighbourhoods, and a clear majority speak fluent English in every single one.

Segregation is one of many terms UK culture warriors have imported from the US and now apply liberally but incorrectly on this side of the Atlantic. Racial segregation was legally mandated in the US south for the best part of a century under Jim Crow, and the policy of "redlining" — or denying financial services on racial grounds — quietly extended similar practices. This has left a long shadow, with one in 40 US neighbourhoods still highly segregated, compared to fewer than one in 1,000 in Britain.

There is, though, one point on which I will concede: these commentators are right in implying that they are part of a minority group facing terminal decline. In 2006, only 10 per cent of Britons thought that to be truly British you had to be white. By 2020, that figure had fallen to 3 per cent.

john.burn-murdoch@ft.com

Letters

Email: letters.editor@ft.com
Include daytime telephone number and full address
Corrections: corrections@ft.com
If you are not satisfied with the FT's response to your complaint, you can appeal to the FT Editorial Complaints Commissioner: complaints.commissioner@ft.com

The west must take some of the blame for oil market turbulence

Oil is a particularly volatile commodity right now (The Big Read, November 29). The EU's ban on Russian oil imports, combined with the G7's pending price cap on how much revenue Russia can receive for oil exports, could take at least 1mn barrels a day off the market. The US has dipped into its strategic stockpile to keep prices at a somewhat manageable level, but the Biden administration will eventually have to refill those stocks if they dip too low. OPEC, meanwhile, doesn't appear to be in any mood to help the west. There's a theme to this story: actions have consequences, especially in the oil market.

The G7's cap on Russian crude is a case in point. The mechanism is a corrective to the EU's more stringent sanctions regime against Moscow, which would have prohibited EU and UK maritime insurance companies from covering any vessel carrying Russian oil. That would have taken significant amounts of supply off the market. The cap is meant to address this imbalance by maintaining stability of supply so consumers don't feel the pinch.

Russia and major oil producers, however, view the concept as a big distortion of market fundamentals — and more dangerously, an attempt by consumers to come together and dictate prices. Russia has indicated that it won't export any oil to countries participating in the price cap. Oil giants such as Saudi Arabia are concerned that a cap creates a catastrophic precedent; if Russian oil revenues can be successfully limited today, what's to say Saudi oil revenues can be successfully limited tomorrow?

The west isn't solely responsible for these dynamics. Vladimir Putin, after all, is the one leveraging Russia's significant stake in energy markets to penalise the US and Europe for its ongoing support for Ukraine. But we should be honest: western policies are at the very least contributing to the situation we find ourselves in.

Daniel R DePetris
Fellow, Defense Priorities
New Rochelle, NY, US

How policymakers avoid a 'cascade of tipping points'

Martin Wolf's recent article on "How to think about policy in a polycrisis" (Opinion, November 30) is profoundly important.

Policymakers must recognise that mankind's future rests on the healthy interaction of many different complex and adaptive systems. Unfortunately, each of our economic, political, environmental and public health systems is under great stress and their interrelatedness implies that a crisis anywhere could threaten crisis everywhere.

We thus need policy actions on a broad front to avoid a potential cascade of "tipping points".

At the same time, we also need to recognise that a policy solution that favours one system while doing harm to another is no sustainable solution at all. In short, as Wolf rightly suggests, we need an analytical revolution in how we approach policymaking.

May I also applaud Wolf's support for the NAEC (New Approaches to Economic Challenges) unit at the OECD which is under threat of closure. As someone who has been intimately involved with the OECD for more than 40 years, I have witnessed up close how conventional, silo thinking can lead policymakers into increasingly dangerous culs-de-sac.

In contrast, NAEC has embraced complexity and a systemic approach to policymaking since its inception.

To throttle this way of thinking, when the need for it has never been greater, would be a tragic mistake.

William White
Former Economic Adviser, Bank for International Settlements (1994-2008)
Former Chair of the Economic and Development Review Committee, OECD (2009-2018)
Toronto, ON, Canada

A QE explainer that is no mere accounting nicety

Martin Allen ("The money supply horse has already bolted", Letters, November 22) is wrong to think that — if the sale of bonds bought for quantitative easing purposes does not entirely eliminate all the money created by QE — the residual money must permanently remain in circulation.

And because that residual money bears interest, he is also wrong to suggest that this leftover can be dealt with by a "mere accounting nicety".

The objective of such bond sales, or "quantitative tightening", is to entirely eliminate the money created by QE.

In the event that the value of the bonds bought in QE is insufficient when they are sold for that to eliminate all the money created, the ideal course of action mandated in the UK by HM Treasury's indemnity for QE, is for the government to eliminate the remaining money by additional taxation or borrowing, with the proceeds paid into the central bank.

Assuming that the fixed-income market is efficient, leaving the residual money in circulation — bearing interest at a rate expected to follow the path discounted in bond prices — is no more likely to be financially advantageous for the taxpayer than topping up the proceeds when the sale is made. That is because central banks remit their returns to the government, so the taxpayer ultimately pays the interest on the residual money.

To sum up, if QE ends up making a loss, any residual money is unlikely to be left in circulation, but regardless, the taxpayer can be expected to have to pay just as much. And, as your report ("Treasury bails out BoE for first losses on QE scheme", November 23) of a £828mn capital transfer made by the Treasury to cover net payments generated by the Bank of England's QE portfolio in the third quarter suggests, that cost may well turn out to be more significant than a mere accounting nicety!

Tim Young
Witham, Essex, UK



Proof 'magic money tree' economics is alive and well

Olivier Blanchard ("It is time to revisit the 2 per cent inflation target", Opinion, November 29) lets us know that "magic money tree" economics is alive and well. He writes that "the additional costs of 4 per cent inflation versus 2 per cent inflation were small".

Really? For whom? Two per cent inflation doubles prices in 35 years. Four per cent inflation does this in 17.67 years.

Presumably doubling the acceptable rate of inflation will also mean that, on balance, interest rates will also double.

These increased "costs" hardly seem "small".

Guy Wroble
Denver, CO, US

Fate of Russia's T-bills are not a factor — apparently

I read with interest the informative Big Read piece "The fragile US Treasury bond market" by Kate Duguid and Tommy Stubbington (November 16).

I have always been fascinated by the technical operations of financial markets. Yet, I was surprised that the article made no mention of the war in Ukraine, the subsequent de facto confiscation of a large parcel of Treasuries held by the Russian government, and the subsequent consequences in terms of government investment strategies around the world.

Perhaps the liquidity issues in the Treasury market are entirely unrelated to the weaponisation of financial assets. But if the issues are concurrent, it would have been reassuring to read that this was not a factor impacting the US government bond market.

James Beadle
Roquebrune-Cap-Martin, France

Has Labour calculated cost of private schools reform?

The Labour party claims that it will raise £1.71bn with its plans to levy a tax on parents by adding VAT to school fees ("Starmer urges end to 'scandal' of private school tax breaks", Report, December 1).

We say: show us your working. We are yet to see any robust analysis that lends credence to Labour's claims.

In contrast, Labour is happy to attack the independent Baines Cutler report, compiled by leading experts in the financial aspects of independent schools. It is the only research into the subject that is based on representative surveys of many thousands of independent school parents. The report concluded that far from raising money, Labour could end up losing up to £400mn a year by the end of its first parliamentary term in government. Labour has provided no impact assessment that comes close to the rigour of this report.

We, like everyone else, want to see a well-funded state education system. But the path the Labour party is mapping out would fail to raise the money our colleagues in the state sector need and deserve, while disrupting the lives and education of thousands of children whose parents work hard to fund the education they have chosen.

Julie Robinson
CEO, Independent Schools Council
Rudi Eliott Lockhart
CEO, Independent Schools Association
Simon Hyde
CEO, Heads' Conference (HMC)
Christopher King
CEO, Independent Association of Preparatory Schools
David Woodgate
CEO, Independent Schools Bursars Association

New hospitals are part of productivity virtuous circle

Andy Haldane ("Worsening health is an economic headwind", Opinion, November 25) is right to point out the critical importance of good health and a long working life to economic growth. He suggests increased spending on specified preventive health measures, while Sarah Neville's piece on Addenbrooke's — "Hospital innovators offer cure for NHS crisis" (Report, November 26) — adds productivity gains through smarter use of staff and facilities, upskilling and AI.

Infrastructure spending on transport is a familiar supply-side measure, but spending on hospitals is not. Neither article mentions NHS capital spending. This is an unfortunate omission — the successful implementation of the government's new hospitals programme is vital to economic growth. This is especially true in Cambridge; our hospitals are the beating heart of the Cambridge Biomedical Campus and their growth plans — a new cancer research hospital, a children's hospital and a rebuild of the ageing acute hospital — are critical to the campus's continuing success. The campus in turn is central to the region's life sciences sector which the government sees as having significant growth potential.

Unless these hospital plans are implemented, the growing and ageing population of Cambridgeshire and the wider region the hospitals serve will not be adequately provided for (see Haldane again). Finally new, well-designed hospital buildings will themselves bring productivity benefits.

There is a virtuous circle waiting to be unlocked.

Annabel Sykes
Great Shelford, Cambridgeshire, UK

Swedish healthcare isn't 'free at the point of use'

Chancellor Jeremy Hunt urges the NHS to strive for Scandinavian quality ("Doctor Hunt tends to ailing economy in intensive care", Opinion, November 18).

In the middle of the Covid-19 crisis, I received excellent treatment for cancer at Karolinska hospital in Stockholm, voted one of the best in the world by Newsweek. However, each prior medical appointment cost me about £20 and if I had missed one, I would have been fined £35.

After the week-long hospital visit, I was billed £60 for the excellent hospital food. I now have to pay the first £200 each year for necessary medical supplies.

I am happy to pay all these charges, recognising that increased demand on limited resources is not likely to be compatible with free at the point of use.

Andrew Greenwood
Stockholm, Sweden

Opinion

Ghana's rude awakening as tide of cheap money recedes

AFRICA

David Pilling



When Ghana's President Nana Akufo-Addo took to the airwaves in October to assure investors that their money was safe, it was only natural for them to smell trouble ahead. That is exactly what they got.

Long considered one of the most stable and best-managed countries in Africa, Ghana is about to join the list of nations that cannot repay their debts. That list is likely to get longer. Zambia has already defaulted and the IMF reckons that 19 economies in Africa alone are in debt distress.

The government has been in denial. Akufo-Addo stated emphatically: "There will be no haircuts." It was left to junior ministers to break the news that bondholders could expect a short back and sides — and to lose about 30 per cent of their tresses in the process.

Ghana's story highlights the likely fate of other emerging economies as the tide of cheap money recedes. Many got hooked on eurobond issues as capital markets opened some 15 years ago.

Ghana issued its first eurobond, for $750mn, in 2007 — and has been going back to the punchbowl ever since. Now, as interest rates normalise and investor appetite for frontier risk wanes, the bowl has been removed. When US Treasury yields were below 2 per cent, Ghana could borrow at 8 per cent or less. Now the implied rate on its bonds is nearer 40 per cent, says Charles Robertson of Renaissance Capital, which means investors regard it as too risky to lend to at all.

That's tough because Ghana, and countries like it, need money more than ever. Battered by Covid and the ripple effects from the war in Ukraine, economies have stalled and many people have been pushed into poverty.

Yet far from addressing these problems through spending, Ghana will have to make cuts to satisfy creditors and the IMF, from which Accra is seeking $3bn. Somehow it will have to protect the most vulnerable as it tightens fiscally. Multilateral agencies will have to take up some of the slack.

Ghana has been quick to blame anyone but itself. Akufo-Addo spoke of a confluence of "malevolent forces". A series of exogenous shocks has indeed made the world a hostile environment. After promising vaccines and financing, rich nations all but abandoned Ghana in the pandemic.

> The country's recent budget is described as a 'Frankenstein's mash-up'

Still, the government protests too much. When in February, Moody's downgraded Ghana's sovereign debt from B3 to CAA1, pushing it further into junk territory, Accra attacked the messenger. The finance ministry accused rating agencies of mispricing risk in "what appears to be an institutionalised bias against African economies".

It would have done better to look in the mirror. Moody's estimated debt had reached 80 per cent of GDP and debt interest payments would swallow half of government revenue. One Moody's executive found plans to address deteriorating finances through vague spending cuts and an unpopular levy on electronic transactions "very aspirational" — for which read "total fantasy". Its cynicism has proved well-founded.

Ghana had some promising ideas. It made school free up to high school. It has addressed energy shortages, and has some of the best health and welfare indicators in Africa. But spending has always spiralled ahead of elections; too much debt has gone on an escalating public sector wage bill.

The point of borrowing should be to improve productive capacity and with it the ability to pay back loans. Ghana's government has too often indulged in vanity projects, epitomised by plans for a colossal cathedral. Perhaps it hoped to pray it could repay its debts.

Plans to clean up the mess appear no more realistic. The recent budget is described as a "Frankenstein's mash-up" by Bright Simons of the Imani think-tank. Getting public servants to drive smaller cars, one of the proposals, is not going to cut it. Nor has the government learnt humility. It blames a 50 per cent fall in the cedi this year on "speculators" and black marketeers. It might look instead to its unfunded deficits and the whirring of the printing presses.

Accra desperately needs a credible plan to get its finances back on track. That will mean hammering out a debt restructuring package with creditors, and accepting that it will be shut out of debt markets.

Still, not all is lost. Ghana has solid foundations on which to build. It has one of the continent's best-educated workforces, a reasonably diversified economy, decent infrastructure and a strong democratic record. That means the ruling party may well be punished in the 2024 elections. But markets will, in time, forgive and forget. Just ask Argentina.

david.pilling@ft.com

New York is set for a perilously divided future

Efi Chalikopoulou



ECONOMICS

Gillian Tett



Eric Adams, New York's media-savvy mayor, caused a storm this week by pledging to take mentally ill people from the city's streets into hospitals, on an involuntary basis.

Homelessness and crime have sparked rising angst in the Big Apple, and both can be linked to untreated mental health issues. If this new move by Adams delivers safer streets — and it's a big "if" — it will throw down the gauntlet to cities such as San Francisco and Seattle, where problems are dramatically worse.

But while visible issues such as homelessness are the focus of mayoral attention, there is another, less visible, question that should also worry Adams. Namely, the outlook for New York's economy — and its workforce.

During the Covid-19 lockdowns, many wealthy residents and businesses decamped to low-tax locations such as sunny Florida, undermining the local tax base just as spending demands surged. The fiscal gap was partly plugged — or, more accurately, papered over — with federal aid. Since then, some (but not all) the migratory birds have returned, offices have reopened, residential rents rebounded and hotels become crammed.

But office occupancy remains lower than before the pandemic and seems unlikely to climb to pre-Covid levels. Academics at Columbia and New York Stern business schools estimate that $50bn has been lopped off the value of New York office real estate.

Adams, therefore, confronts the same issues as many other city leaders since the pandemic began: can New York be fiscally sustainable with half-filled offices? And what about its workforce?

The good news is that the city starts with significant advantages (aside from being famously brash and skilled at hustling). A recent report produced by McKinsey for the mayor's office lays it out: the region has the second-biggest metropolitan economy in the world, only bested by Tokyo. Gross domestic product a head is well over $150,000 — higher than any other city in America except Los Angeles.

The number of residents with degrees is also greater than in other US cities, and New York has a long tradition of sucking in hordes of ambitious migrants — a third of the workforce is foreign born. While immigrants over-index in medical services, they also account for almost half of real estate workers and a third of finance workers.

More important still, the city is accustomed to repeatedly reinventing its economic base. At the start of the century, most highly paid jobs were in finance. Today, according to a recent report from the mayor's office, the tech sector is the biggest engine of highly paid job growth and New York is second only to Silicon Valley in size. Wall Street no longer rules supreme.

But the bad news is that the wider climate is now shifting. Since 2019 the workforce has declined by 4 per cent, a stark contrast to previous decades. That is partly due to the pandemic exodus but workforce participation was falling even before Covid.

Moreover, McKinsey calculates that while there were almost 900,000 net population inflows between 1991 and 2011, there have been 52,000 net outflows since then. Yes, you read that right: in the city where *Hamilton* writer Lin-Manuel Miranda penned the line "Immigrants — we get the job done!", the migrant tide has reversed. Miranda observed this week that this saddened him, since he (rightly) considers immigration a source of strength.

> The city, as so often, resembles not just the face of America but an extreme microcosm of its challenges

But the wider labour issues are equally concerning. McKinsey predicts that by 2030, automation will have destroyed 350,000 New York jobs, in sectors such as office support and restaurants. It also forecast an even greater wave of job creation in healthcare, tech, law and business. But the rub is that the second category of potential new jobs require training and education — while the former do not. The future of the Big Apple thus looks dangerously bifurcated: there will soon be an excess of high-paying jobs for high-skilled (and highly mobile) workers while low-paid and low-skill workers will struggle.

This suggests that the city needs to retrain its workforce with public money or public-private partnerships — or both. Projects have started but they are still small. And while the former mayor Michael Bloomberg was deft at building partnerships with business, and skilled at delivery, thus far Adams seems weaker in this respect.

Moreover, New York faces a swelling fiscal crisis. Adams's team recently announced that there will be a budget shortfall of more than $13bn in the next three years, amid a 7.7 per cent fall in tax revenue from personal income and related taxes this year. They are right to cut spending in response. But they cannot slash too far without further hurting infrastructure — and they cannot squeeze wealthy residents or businesses for more tax without sparking an even bigger exodus to places such as Florida.

Thus New York — as so often before — resembles not just the face of America but an extreme microcosm of its challenges. Post-lockdowns, its economy may be growing and its entrepreneurial spirits soaring, but its economic and social divides seem likely to worsen.

If Adams can ameliorate this, he will rise on America's national political stage. If not, the Big Apple faces more blight.

gillian.tett@ft.com

Football's VAR is a lesson in flawed innovation

TECHNOLOGY

John Thornhill



When the Cameroonian striker Vincent Aboubakar extravagantly scooped the football over the head of the Serbian goalkeeper into the back of the net, he thought he was offside. More importantly, so did the linesman. Aboubakar's celebrations only kicked off when the video assistant referee suggested otherwise, helping Cameroon stage a thrilling comeback in their World Cup match in Qatar on Monday.

Before the introduction of VAR, Aboubakar's goal would not have been allowed. Had it been in operation in Mexico in 1986, VAR would surely have ruled out Diego Maradona's infamous "hand of God" goal against England, when the Argentine punched the ball over the line. On such decisions, made and unmade, hang footballing destinies, national mythologies and the emotions of millions of sports fans around the world.

At the latest World Cup, the football has been engrossing. But the matches should also interest anyone involved in designing or delivering a technology service. The use of video assistance technology provides an intriguing case study of how difficult it can be to achieve optimal product-market fit in a highly pressured environment that matters hugely to millions of fanatical followers.

Technology may well deliver increased accuracy, but at what cost? Traditionalists complain that VAR has put the sport's values at risk by wasting time, undermining the agency of on-field referees and adding new, and different, dimensions of controversy.

The use of VAR was first codified in football's official laws in 2018 and the technology was rolled out at the world cup in Russia later that year. Off-field referees monitoring multiple video feeds were made responsible for identifying "clear and obvious" mistakes and "serious missed incidents" when it came to awarding goals and penalties, issuing red cards and confirming the identity of players who had been sanctioned.

The evidence showed that VAR did indeed increase the accuracy of decision making. On average, a referee makes 137 observable decisions during an international football match, most of which are now reviewed in near real time. At the World Cup in Russia, the international football association Fifa found that of the 455 incidents checked by VAR across the tournament, referees made the correct final calls in 99.4 per cent of cases, compared with 95.6 per cent without its use. One consequence was that referees spotted more infringements, awarding 29 penalties (including nine as a result of VAR checks) compared with 13 at the previous World Cup in Brazil. But the use of VAR also prolonged the length of matches: the average time for reviewing an incident was 82 seconds.

> On these decisions, made and unmade, hang the emotions of millions of fans around the world

Since then, VAR has been adopted by many football leagues around the world. But critics still argue it has added more confusion than clarity. Few resist objective factual checks as to whether a football crosses the goal line or a player is offside, for example. But there is more controversy over subjective decisions, such as awarding a penalty or a red card when the on-field referee is asked to review their original decision. Holding decisions to a higher standard means they can cause even more outrage when fans believe they are wrong.

There are perhaps two lessons to be drawn from the use of VAR, applicable to the adoption of many other decision-making systems. First, technology should never be used just for technology's sake. It should only ever be deployed in clear and limited situations where it can demonstrably improve the process, to inform a human expert's decision, not replace it. But efficiency also matters. In trying to solve one set of problems, technology should not create new ones. Systems should constantly be improved in response to feedback.

To that end, it is vital that users — and fans — understand how the system works and trust the methodology. Black box systems are rarely a good idea. In that sense, video officials at cricket matches do a better job of showing the evidence to viewers and explaining how they reach their decisions. Ensuring decisions can be explained is as crucial for VAR as it is for artificial intelligence systems, now widely used in many areas such as finance, healthcare and law.

The principle behind VAR of "minimum interference, maximum benefit" is a good one. But experience demonstrates how difficult that is to implement in real life. As maths teachers insist, show your workings when solving any problem. VAR's decision-making processes should themselves be reviewed.

The writer is founder of Sifted, an FT-backed media company covering European start-ups

To woo voters, Sunak must fix UK's 'palpable economy'

POLITICS

Sebastian Payne



It was one of the most famous soundbites of the Brexit campaign. In a debate on the economic impact of leaving the EU, a heckler in Newcastle shouted at a university professor, "That's your bloody GDP, not ours". As Rishi Sunak will soon discover, many Britons still feel the same.

Conservative party strategists, who are eyeing up the winter of 2024 for the next election, want to pull off a fifth consecutive win, against all odds. The hope is that inflation drops back into single digits and that the recession is short and shallow.

In the run-up to the 1992 election Norman Lamont, then chancellor, proclaimed the "green shoots" of recovery; on polling day, the Tories defied all expectations and held on to power. In 2024, Sunak will try to do the same.

But claims of improved statistics will not woo swing voters. What they care about is what you might call the "palpable economy" — the one that really touches people, as opposed to the data-driven one. Sunak needs to focus on the general state and mood of Britain: does the country feel more prosperous than it did at its lowest economic ebb (ie: right now), are the high streets improving, are job opportunities plentiful? And are public services working well?

Were there to be an election in the next six months, the answers to all these questions would be negative. Public services are verging on collapse, there's a spiralling wave of strikes and high streets are filled with boarded-up shops. The mood is miserable. No narrative can overcome what people see and feel.

> Public services are verging on collapse. No narrative can overcome what people see and feel

Turning around this palpable economy should be Sunak's priority over the next two years. Much of what happens to the actual economy is out of the Tories' hands. Energy prices will be most affected by events in Ukraine.

But the health service is different. With pressure on hospital beds and A&E services so intense that ambulances can't get away to attend heart attack sufferers for an hour or more after their emergency call, there is a clear sense that the NHS is broken. It is not for lack of money: chancellor Jeremy Hunt pledged an extra £3.3bn in the Autumn Statement, on top of half a billion already announced to deal with acute issues.

Sunak has installed Steve Barclay, one of his closest allies, to unblock the post-pandemic NHS backlog. Patricia Hewitt, former Labour health secretary, has hopped over the political divide to advise the government on integrating health and social care. But the threat of nurses and ambulance staff striking over Christmas could make the situation even worse. This winter, the best Barclay and Sunak can hope for is survival. By the election, they will want the NHS in noticeably better shape.

It's a similar tale with the courts system. The backlog of criminal cases is at a record 61,000, with problems exacerbated by strikes. Barristers have now voted — narrowly — to end their industrial action, but tensions remain across the legal sector.

So, too, on the railways. Rolling strikes by train drivers threaten to disrupt the first normal festive season in three years. Mark Harper was installed by Sunak as transport secretary for his more emollient approach to trade unions and regional mayors. The initial signs are positive, but much of the weight of improving this part of the palpable economy rests on his shoulders.

With a nation focused on football, the holidays and anything but politics, the prime minister hopes to use the next six weeks to figure out answers to these almost impossible questions. Holed up in his Downing Street study, government insiders say he is reading his way into a policy platform.

When he emerges in early 2023, no doubt to deliver a set-piece speech defining "Sunakism", fixing the palpable sense that the country is stalled, if not in decline, has to be central. Optimism is one thing, but what the prime minister really needs is an achievable plan for making life in Britain better.

sebastian.payne@ft.com

Lex.

Twitter: @FTLex

Law firm lay-offs: billable dour

Big American law firms have embraced not just the business of Wall Street but its ethos, for better and worse.

Yesterday, Cooley, a large American firm with $2bn of annual revenue and a significant presence in dealmaking and in Silicon Valley, said it was firing more than 100 staff, including lawyers and support workers. Cuts elsewhere loom.

Lay-offs do happen in the legal industry. But this downturn comes at a unique moment. Law firms thrived like never before in 2020 and 2021 as mergers, Spacs, junk bond financings and the like surged during the depths of the pandemic. Revenues for the top 100 firms, according to American Lawyer, went up by 15 per cent in 2021 to more than $100bn.

Legal groups staffed up to fill the demand and paid top dollar to recruit associates and partners. As a result, wages soared. A first-year junior lawyer's base salary reached $200,000.

Today, law firms resemble football clubs or, worse, hedge funds and investment banks. Up-and-coming legal eagles such as Kirkland & Ellis have aggressively poached partners to build top-notch practices quickly.

This differs from the legacy elite firms such as Cravath, Swaine & Moore where "lockstep" pay policies remain generous. That can mean big producers are underpaid relative to their contributions, rewarded instead by the security of a lifetime of multimillion-dollar annual salaries and a generous pension scheme.

This year, the IPO and Spac markets have in essence shut down, along with issuance of junk loans and bonds. Even if M&A volumes have been slightly more resilient, the glory days of 2021 will not return any time soon.

An important question for managing partners at law firms will be how much of their cost bases are fixed versus variable. Capital trapped in pay guarantees and debt from recruitment drives will then sting. The potential for more mergers among the lawyers who advise on them is there.

What separated law from its clients in high finance historically was a commitment to a professional ethics canon and a more paternalistic work culture. Lawyers have seen the bankers and financiers sometimes make tens of millions of dollars each year and wonder why they should earn so much less. Unfortunately, with the leap in lawyer pay scales must follow a risk to job security that their clients have long endured.

Foresight: worth a squint

Foresight, the niche UK alternative asset manager focused on solar and wind power, requires investor prescience. Its shares have been mostly ignored by the market even as its profits grow.

Renewable energy investments are gaining pace, spurred by the crisis-level price of natural gas. Yet the past 12 months have been bruising. Witness the performance of turbine manufacturer Vestas, down 16 per cent, or wind developer Orsted, which has fallen 21 per cent.

Foresight offers a different means of gaining exposure to renewables infrastructure. A major chunk of its £12.5bn in assets under management, or AUM, are in funds that invest in solar, wind, battery and hydrogen projects. Foresight receives a fee for managing them, making the shares a leveraged play on project performance over time.

Revenues depend on how much money it can attract and the performance of net asset values, rather than any change in public market values, as with most fund managers. So far it has tapped into a growth trend. AUM grew 41 per cent in the six months to the end of September.

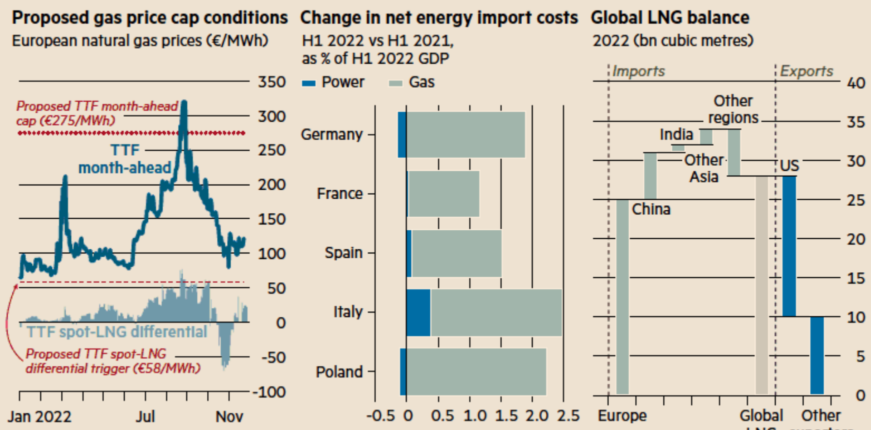
With interest in ESG investment still healthy, it targets a hefty 20-25 per cent average AUM growth on a rolling three-year average. This looks particularly compelling given the £5.5bn of fund outflows suffered by UK-listed funds in October, according to Morningstar data.

Foresight should grow ebitda by almost 70 per cent this year, on S&P Capital estimates. This makes its poor stock price performance, down 17 per cent over the past 12 months, puzzling. Perhaps it is tarred with the listed UK asset manager brush, most of which are performing poorly. Foresight looks cheap on 10 times next year's earnings.

This fact may alert bigger rivals and private equity groups, which have been circling the sector. If the public markets do not take to Foresight, perhaps its rivals will.

EU gas price cap: heat without light

The EU has proposed capping gas prices at a level far higher than prevailing European gas prices. It is acting in response to higher energy import costs, which affect fiscally constrained Italy disproportionately. The fear is that capping gas prices may make it harder for Europe to attract LNG imports.



FT graphic Sources: S&P Global Commodity Insights; Bruegel based on Bloomberg, Ember, Eurostat, IEA; IEA

Impossible quests should be the stuff of legends and love songs, not energy policy. Yet EU bureaucrats are seeking an acre of land between salt water and seastrand. They are tasked with finding a way to cap gas prices so as to reduce the bill for consumers — as southern European countries would like — while not reducing the amount of gas supplied to Europe, as Germany and the Netherlands fear.

So far, they are failing. The last proposal managed to be ineffective and potentially damaging.

The EU previously suggested two conditions for a gas price cap. Month-ahead prices must stay above €275 a megawatt hour for two successive weeks and the reference price (at the Title Transfer Facility in the Netherlands) must be €58/MWh above that of liquefied natural gas for 10 days.

Month-ahead prices are now at €153/MWh. As designed, the cap would not have kicked in over the past year, according to analysis by S&P Global.

Unsurprisingly, the proposal satisfied no one. The mere existence of a cap skews the market. Sellers, aware of the EU's final price, may huddle near that level, turning a price cap into a floor.

The EU is expected to come up with a new plan. One intriguing idea is to apply different rules to pipeline gas and LNG imports. Pipeline suppliers, including Norway, will account for some 210bn cubic metres of supply in 2022, says ICIS, a consultancy, on total consumption of 400 bcm. They might accept a long-term deal to limit prices.

But this type of cap would be devilishly hard to implement. Capping TTF prices may lead energy traders to shift to other exchanges and over-the-counter trades. Cap all exchanges and incentives to move gas to where it is needed disappear.

To add to the complexity, the EU would be changing the rules mid-game. As the Oxford Institute for Energy Studies says, total physical and derivative transactions involving TTF were €6tn in 2021. Many of these hedged exposures will be hard to untangle with a price ceiling.

Subsidies for high energy bills in southern European countries may be an easier alternative. Europe should relinquish its overly complicated plans for a price cap.

Danish bank: proper game plan

Denmark's central bank is clearly in a sour mood, perhaps tetchy after the country's World Cup exit this week. Fretting about the effects of inflation on interest rates, it warned yesterday that in a severe recession house prices might fall by almost a third, testing Danish banks' capital buffers.

While Danish house prices boomed in the run-up to 2008, this time round it is rising real estate risks for its Nordic peers that worry the central bank.

Unlike Sweden and Norway, Danish monetary policy follows that of the European Central Bank due to a longstanding currency peg. Despite years of ultra-low ECB interest rates, Danish property values have exhibited surprising restraint by comparison.

House prices in Denmark have only risen by about a quarter since 2008. In both Sweden and Norway, they have roughly doubled. This year, the trend has reversed for all three. However, in Sweden, home prices have dropped 13 per cent just since March.

For the Danes, tighter lending standards and a lower share of floating-rate mortgages have helped put a lid on speculation. At leader Danske Bank, still recovering from its 2018 money-laundering scandal, average loan-to-value on its domestic mortgage book is below 50 per cent. On its Swedish book this is closer to 60 per cent.

Commercial real estate, too, presents significant risk across the border. Landlords in Sweden overextended with debt-fuelled expansions. As rates climb and valuations drop, expect asset sales and deleveraging to follow.

Danske may avoid the worst, with its Swedish commercial exposure equal to just 3 per cent of the total, says Citi. Compare that with 12 per cent at Swedish lenders Handelsbank and Swedbank. Danske has its own challenges. It has more credit impaired (stage 3) loans in sectors vulnerable to an economic slowdown, such as hotels and leisure, than other Nordic banks.

Yet, given Sweden's problems, the Danish central bank is right to blow the whistle early on property risks.

Dollar General: discount bills

Judging from the behaviour of the US stock market, any concern over a recession has past. That might explain why shares of the discounter Dollar General are on sale. Its stock price plummeted 8 per cent yesterday.

The country's largest discount store operator, which usually does well in economic downturns, cut its profit outlook yesterday. Supply chain costs were to blame. Diluted earnings per share for this year will grow 8 per cent at most, down from the 12 to 14 per cent increase it had previously forecast.

It has no lack of customers. Like-for-like sales were up 6.8 per cent in the third quarter as decade-high inflation prompted more people to trade down.

Instead, unexpected delays in acquiring additional warehouse space to store inventory resulted in more than $40mn in additional supply chain cost during the quarter.

Higher theft losses, plus customers shifting to lower-margin essentials, also ate into profitability.

Worse, its inventory balance rose 28 per cent — or $1.8bn higher — than a year ago at $7.1bn, draining cash flow.

The picture is not as alarming as it looks. Dollar General has 903 more stores compared with last year. All these need to be stocked. Inflation would have also driven up the inventory number. Markdowns, according to the company, remain "well below" pre-pandemic levels.

A focus on rural and lower-priced customers should help keep expenses low. Dollar General sells items in smaller quantities, so shoppers pay more on a unit basis. This is reflected in the gross margin. Despite the drop this quarter, the company still earns about 30 cents for every $1 in sales. That is more than the 25 cents earned by Walmart and Target.

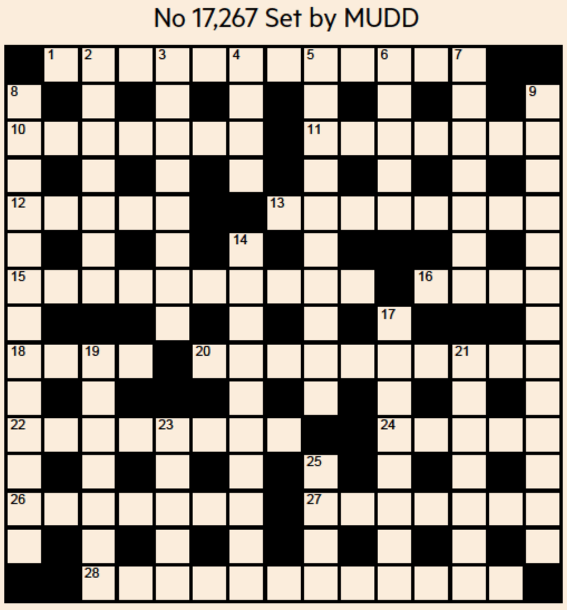
All this makes yesterday's sell-off in Dollar General shares look harsh. Assuming the company can iron out its supply chain issues, it remains well placed to weather an economic downturn. Investors can still get a bang for their buck at Dollar General.

FT Lex on the web
For notes on today's stories go to www.ft.com/lex

NIKKEI Asia The voice of the Asian century

CROSSWORD

No 17,267 Set by MUDD



ACROSS

1 Be experienced, as should players? (4,3,5)
10 River cool for primate (7)
11 Result has emerged the other way round? (7)
12 Dye painted on skin, Queen Elizabeth's back viewed in the mirror? (5)
13 Old letter's recipient English, that man in Spain confused (8)
15 Garment wasn't mended with paste (10)
16 Old South American currently visiting Colombia's outskirts (4)
18 Range astoundingly large, pretty small initially (4)
20 Ordinary cook earned tips (10)
22 Love dipping a sheep into stream (8)
24 Moving aloft – do this? (5)
26 Square leg, target in game (7)
27 Gold coin shimmering by old South American river (7)
28 Office items I get, perhaps, designed to secure first bit of writing (12)

DOWN

2 Applicant seen, I'm only partly seeking promotion? (7)
3 Documents blustering in conflict? (8)
4 For example, straight bananas in a group (4)
5 Athlete destroyed club (4-6)
6 A little hideout, really strange (5)
7 Feeling passing after end of heartache (7)
8 On the front line facing point of sword? (2,3,5,3)
9 Limitation placed on motor race, new, improved version (13)
14 Romp with errand boy and artist (4-6)
17 Close relationship, it's arising earlier (8)
19 Standard, bargain vegetable (7)
21 One overcoming defeat, carrying on – resolve! (4,3)
23 Second little animal, clean (3,2)
25 Sensitive cutting tool, we hear? (4)

JOTTER PAD

Solution 17,266



You can now solve our crosswords in the new FT crossword app at ft.com/crosswordapp

Get the business insights you need to succeed in Asia
Visit asia.nikkei.com



FTwealth

DECEMBER 2022
ISSUE 76



SIBLING SECRETS
HOW BROTHERS AND SISTERS CAN BUILD BUSINESSES TOGETHER - DESPITE THE TENSIONS

FRENCH FANCIES
Carmignac's penchant for family-governed companies

AT LONDON'S HEART
Why prime property buyers are sticking to the centre

RULES ARE RULES
How compliance became the bane of executives' lives

TV CRITICS
Times of crisis bring a skewering for the super-rich on screen



NATIONAL GEOGRAPHIC AND ROLEX PERPETUAL PLANET TUPUNGATO VOLCANO EXPEDITION TEAM



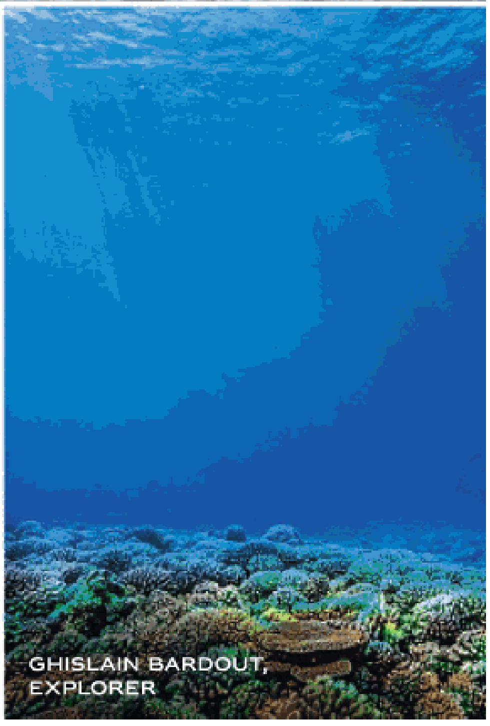
TOPHER WHITE, CONSERVATION TECHNOLOGIST



CRISTIAN DONOSO, EXPLORER



FRANCESCO SAURO, EXPLORER



GHISLAIN BARDOUT, EXPLORER



WHAT DO THEY SEEK?

Explorers, adventurers, scientists. Men and women who always broadened the horizons, for all humankind to share. Rolex was at their side when they reached the deepest point in the oceans, the highest summits of the Earth, the deepest jungles and both poles. But now that we know, more than ever, that our world has its limits, why do they continue to venture out there, again and again? Certainly not for kudos, accolades, or an ephemeral record. What they truly seek is to understand more intimately how complex and delicate our planet is, to document its change and how together, we can affect it for the better. So as long as they need it, we will be at their side. Because today, the real discovery is not so much about finding new lands. It's about looking with new eyes at the marvels of our planet, rekindling our sense of wonder, and acting to preserve our pale blue dot in the universe…
Doing our very best for a Perpetual Planet.

#Perpetual



OYSTER PERPETUAL
ROLEX DEEPSEA

ROLEX

CONTENTS

FEATURES

10
SPLIT DECISIONS
When siblings go into business together, it can be a meeting of minds — but defining boundaries helps defuse any tensions

16
FIRM FOUNDATIONS
French asset manager Carmignac has a penchant for family-governed businesses because of their long-term thinking

20
TALK OF THE TOWN
Central London's traditional havens are trouncing new developments in the chase for international prime property buyers

24
FULL DISCLOSURE
Compliance checks come with the territory for high-earning professionals but help is at hand to cut through the red tape

28
SHOWS OF ANGER
A wave of films and TV dramas skewering the rich are feeding off the deepening financial insecurity of our times

INSIGHT

34
BOOK REVIEW
Power, ambition and failure in ancient Rome







PHOTOS: XINHUA/ALAMY; CLAUDIA LUCIA, FOR THE FT; STEPHANIE STRASBURG FOR THE FT



Page 10

COLUMNS

6
EDITOR'S LETTER
The ancient and enduring fascination with gold

8
AMBITIOUS WEALTH
The tribulations of Peloton's founder are a cautionary tale

31
PSYCHOLOGY OF WEALTH
The rich may not listen to us about tax but they might listen to other rich people

32
OPINION
The secret to achieving long-term financial security



Page 24

Editor
Stefan Wagstyl

Commissioning editor
Conor Sullivan

Production editor
Lee Campbell-Guthrie

Sub-editor
Philip Parrish

Art director
Kostya Penkov

Picture editor
Esan Swan

Editor, Project Publishing
Matthew Vincent

Chief commercial officer
Jon Slade

Strategic sales director for finance
Petra Harkay

Advertising production
William Baxter

FT.COM/WEALTH

Contributors

HARRIET AGNEW
ASSET MANAGEMENT EDITOR

EMMA BOYDE
ETF HUB NEWS EDITOR

HUGO COX
FREELANCE WRITER

CHARLEY ELLIS
FREELANCE WRITER

STEPHEN FOLEY
US ACCOUNTING EDITOR

RHYMER RIGBY
FREELANCE WRITER

FIONA STURGES
FREELANCE WRITER

DANIEL THOMAS
CHIEF UK CORPORATE CORRESPONDENT

Cover illustration: Nathalie Lees





EDITOR'S LETTER
GOLD STILL ADDS A LITTLE LUSTRE TO A DIVERSIFIED PORTFOLIO

On the face of it, gold has lost none of its age-old allure. Russia-born billionaire Vladislav Doronin this year used nearly 40kg of the stuff to gild the outside of the Crown Building, a landmark New York skyscraper housing a hotel and luxury apartments. It is an extravagance reminiscent of Croesus, the legendarily wealthy king of ancient Lydia, who routinely donated bullion to gold-plate statues in temples when he needed a spot of divine assistance.

Gold jewellery, too, is as popular as ever: demand is growing despite the tribulations of Covid and the world economy. Statista, a data provider, forecasts further increases, taking the global market from $230bn in 2020 to $307bn in 2026. From Indian brides to Cartier's ultra-rich customers, most of us — if we can afford it — still want gold.

What we don't seem to want, though, is to invest in it. At least not in a consistent way. The gold price hit an all-time high of $2,074.88 an ounce in August 2020, driven by concern that governments' emergency Covid packages would undermine financial stability and drive up inflation.

Since then, inflation has well and truly arrived and shows little sign of leaving. So have multiple geopolitical upheavals, headed by war in Ukraine, US-China tensions, concerns over Taiwan and a lot of threatening behaviour in the Middle East. All of which might have triggered a bolt for bullion — if the gold bug theory had proved correct that economic and political uncertainty is good for gold. But it didn't.

The reason is clear: the rapid succession of interest rate hikes from central banks, led by the US Federal Reserve, plus the strength of the US dollar. So investors looking for safe havens would have lost both income and currency appreciation if they had opted for gold in recent months instead of US government bonds. As Rory Townsend, an associate at BMO Capital Markets, says in a note: "It's safe to say that investors have favoured the greenback when it comes to…safe-haven buying whereas, in the past, they may have looked to gold."

Townsend expects the investment winds to shift, slightly, in the new year. If US inflationary expectations peak, interest rates will not be far behind and, with declining rates, a non-income asset such as gold becomes a bit more alluring. But only a little. Townsend expects the gold price to remain "fundamentally well-supported" up to 2026, with no sharp fall from current levels.

JPMorgan is slightly more bullish, forecasting an increase in late 2023 as Fed rates top out, bond yields begin to slip and the dollar loses momentum. But, even then, the forecast increase "towards $1,820" an ounce is modest. It is hardly a ringing endorsement for the precious metal if it needs a war to keep the bulls engaged and the bears away.

But at least gold has seen off one challenge this year — or perhaps a phantom challenge. Crypto fans who were busy advancing the argument that digital currencies were the new crisis hedge have, so far at least, been proven wrong. With bitcoin trading at the time of writing around two-thirds down on its November 2021 peak of $48,000, it is clear that, whatever else a digital currency may be, it is not a diversifying hedge against equities.

Gold, by comparison, was up by around 10 per cent over the period of bitcoin's plunge, and by 375 per cent over 20 years. Not bad, you might say. But look at the chart and you see the volatility. You would have needed strong nerves to hang on — the past 10 years would have given you some stomach-churning swings and a net profit close to zero.

Of course, the past is no guide to the future, as the investment warnings say. Gold probably has a place in a very well-diversified portfolio. But, unless you want to plate a tower block or even a statue, don't let the glitter tempt you away from the dull staples in your portfolio. ●

Stefan Wagstyl
Editor, FT Wealth
and FT Money

@stefanwagstyl

WEALTH VIEW

'GOLD IS A RELIC OF A TIME WHEN GOVERNMENTS WERE LESS TRUSTWORTHY IN THESE MATTERS (CURRENCY DEBASEMENT) THAN THEY ARE NOW'

John Maynard Keynes

'SHOULD I MEET WITH GOLD OR SPICES IN GREAT QUANTITY, I SHALL REMAIN TILL I COLLECT AS MUCH AS POSSIBLE'

Christopher Columbus

'187,200 TONNES OF GOLD HAS BEEN MINED EVER, 90 PER CENT OF IT SINCE THE CALIFORNIA GOLD RUSH'

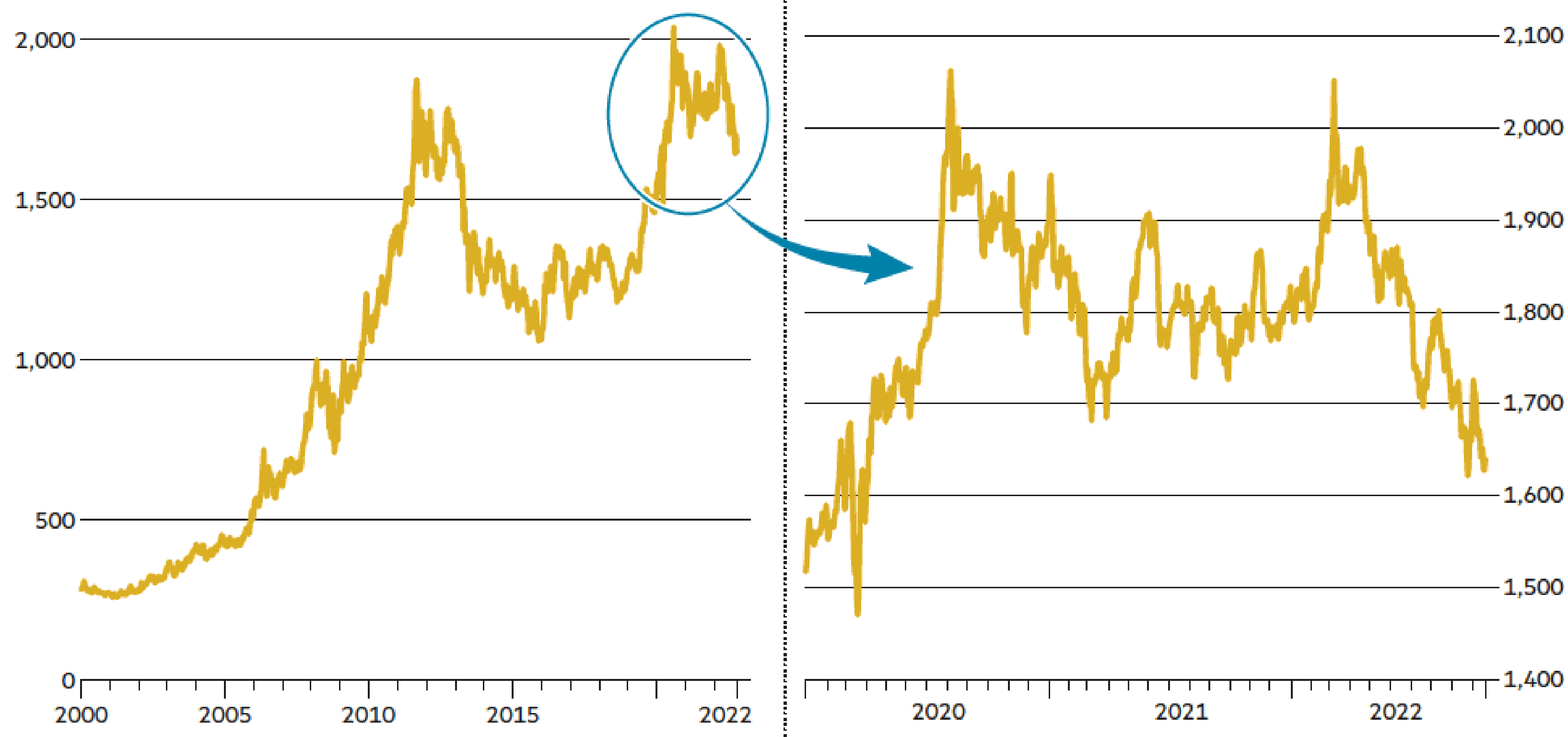
World Gold Council

Gold runs short of glitter

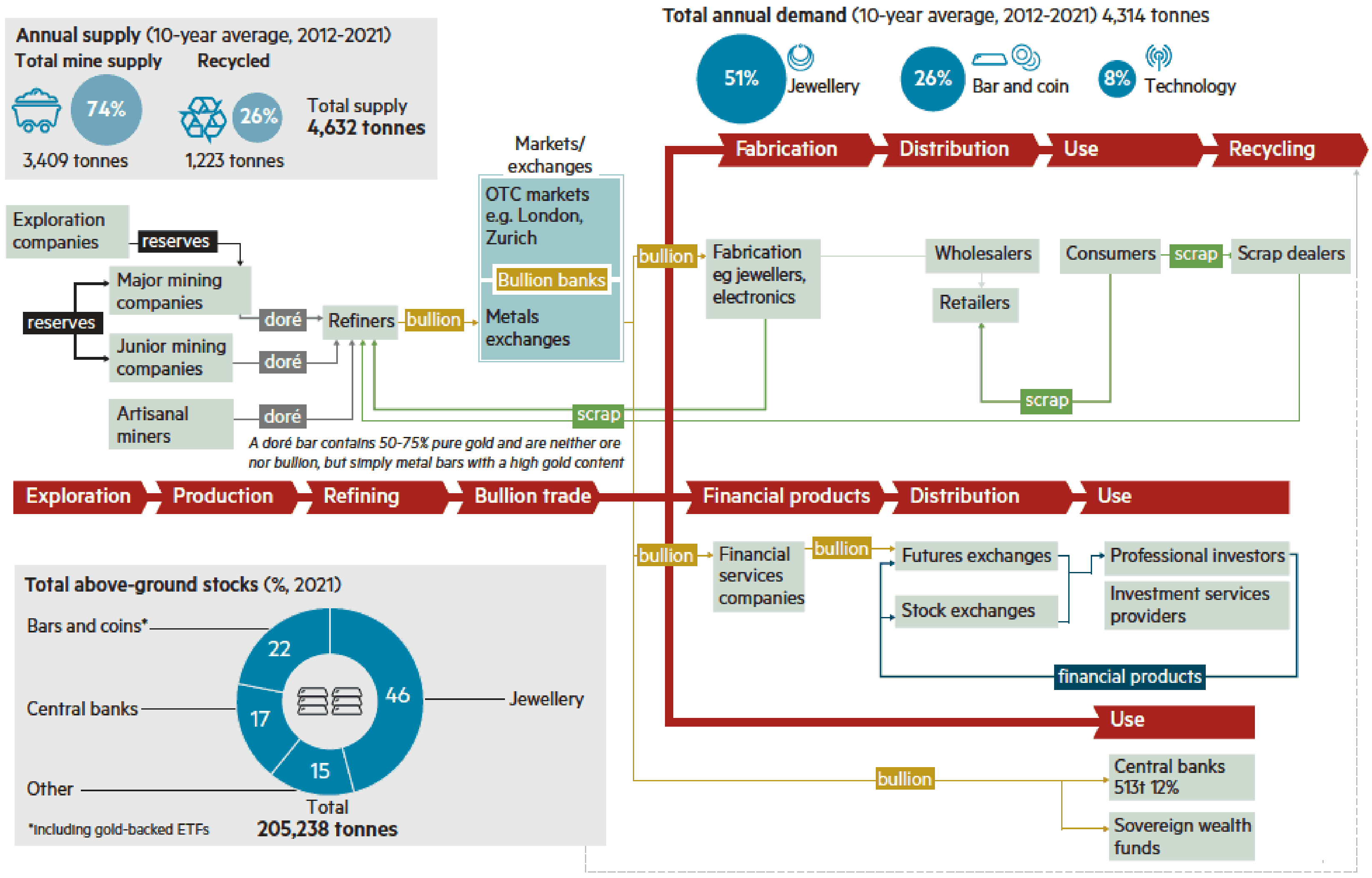
$ per Troy ounce

Too volatile for a safe haven?

$ per Troy ounce



From mine to market



Source: World Gold Council

@StephenFoley

AMBITIOUS WEALTH

'BUY, BORROW, DIE' CAN ALL TOO EASILY BECOME 'BUY, BORROW, PRAY'

BY STEPHEN FOLEY



Pedalling on
John Foley remains bullish about Peloton, despite its troubles

Nominated twice in the Quotes of 2022 Awards, for Understatement of the Year and Stock Market Quote of the Year, here is how Peloton founder John Foley described the collapse of his fortune and the scramble to deal with loans he took out against his stake in the fitness group: "This was not a fun personal balance sheet reset."

As Peloton's share price has slumped, Foley's ugly personal finances have become a preoccupation of the media here in the US. In March, the New York Post noted he had put his $55mn Hamptons home up for sale at a loss, weeks after buying it. Later that month, Business Insider reported he was in talks with Goldman Sachs to restructure his loans, after Peloton stock had lost three-quarters of its value. It has lost another three-quarters since then and Forbes magazine, which counts up rich people, has booted Foley off its billionaires list.

And it was in October, just after Foley quit the board of Peloton, that The Wall Street Journal elicited the "balance sheet reset" remark, for a report that Foley had faced repeated margin calls from Goldman. His resignation means he is free to pledge more shares as collateral, or to sell them. He didn't respond to a request for comment for this article.

My interest in his story stems not from our sharing a last name (he is no relation) but from it being a timely cautionary tale. Global stock markets lost about a quarter of their value in the first three quarters of 2022. But once-hot pandemic-era stocks, like Peloton, as well as recently floated tech shares and fads such as Spacs (special purpose acquisition companies), have suffered much larger declines.

For the wealthy living off loans against their stock instead of selling it for income — something that appears to have been a popular capital gains tax avoidance strategy — these are frightening times.

A huge leak of tax filings in the US last year, obtained by the non-profit media outlet ProPublica, threw a spotlight on many different strategies used by billionaires to avoid paying taxes, but none caught the imagination so much as "buy, borrow, die". It sparked new calls for a wealth tax to complement taxes on income that the wealthy turn out to be adept at avoiding.

Under the "buy, borrow, die" strategy, a government may never get to tax the capital gains on an asset. Wealthy individuals, during their lifetimes, borrow against their stock holdings instead of selling them, and then bequeath them to children, for whom the capital gains basis is revised up to market value at the point of inheritance.

Of course, that only works if you can meet margin calls — the demand for extra collateral that comes when the stock price goes down. If you have to sell the stock, you can quickly enter a downward spiral, especially if you have such a significant stake that your selling puts further price pressure on the stock.

This is the reason Peloton's securities filings this year included a warning that several early executives had pledged their shares for loans (and presumably why the company has now banned executives from borrowing against their stock entirely).

It is also why, at tech group Oracle, where founder Larry Ellison has pledged 307mn of his shares to fund his outside business interests, a board committee regularly checks to see if he has other means to fund margin calls.

And it is why lenders are not going to let anyone borrow as much against a single, volatile stock as they will against a diversified portfolio.

When Elon Musk originally proposed using a margin loan against his Tesla stock to fund his bid for Twitter, the loan-to-value was 20 per cent — that is, he had to put up $62.5bn of Tesla shares to secure $12.5bn in financing. It was the first part of the financing package he replaced when other backers came in.

I wrote here, last year, how the ProPublica articles were effectively a "how to" guide for wealth managers and, sure enough, financial advisers threw up blog posts offering to help clients emulate the very rich.

Arguably, given this year's stock market plunge and the discovery that some people are overextended, it may be more appropriate to rename the strategy "buy, borrow, pray".

Regulators have, on occasion, expressed alarm as securities-backed lending has spread in recent years. In the

PHOTO: JENAH MOON/THE NEW YORK TIMES/REDUX/EYEVINE



US, Finra highlighted the risks of securities-backed lines of credit (SBLOCs), which can allow clients to borrow up to 75 per cent of the value of a diversified equity portfolio.

Tom Anderson, a wealth management consultant in Chicago, likes to point to the great bear market of 2008 for a simplified example showing the danger of leverage. His recommendation is that people don't borrow more than 25 per cent of the value of the portfolio they are using as collateral. "If you had a $1mn portfolio and borrowed at a 25 per cent loan-to-value, when the market fell by 50 per cent, nothing happened to you," he says. "If you borrowed at a 50 per cent LTV and the market went down 50 per cent, you were wiped out."

But banks are not always highly incentivised to protect borrowers from themselves. Because SBLOCs are collateralised by securities that can be easily seized and sold, they are treated as low-risk by regulators, making them an attractive form of lending.

Analysts have, therefore, been unsurprised at the significant growth of securities-backed lending. At Bank of America's wealth and investment management arm, which includes the brokerage Merrill Lynch, it rose 50 per cent in the three years to June 2022. At Morgan Stanley, it doubled over the same period.

It is only in the most recent quarter that is has plateaued, at $56bn at BofA and $93bn at Morgan Stanley. It is an open question whether this means clients and their advisers have pulled in their horns because of the market volatility. It may be that rising interest rates have simply encouraged clients to shop around. Lower rates are often available on securities-backed lending products offered through smaller brokers. And those rates remain highly attractive versus other forms of borrowing.

For the wealthy living off loans against their stock instead of selling it for income, these are frightening times

"The 'buy, borrow, die' strategy still works," says Sharon Winsmith, a New York-based tax adviser, "if you know what you're doing." She describes borrowing against publicly traded securities as an opportunity to "double dip" — to cash in an investment and put the money to use elsewhere, while keeping the dividends and capital appreciation of the original investment.

"To the extent that I took on debt through Goldman, it was because I am bullish on Peloton and still am," Foley explained last month.

Of course, the market sharply disagrees with him and Peloton shares still languish, at least for the time being. And therein lies the lesson: if your tax planning hinges on a bull market in equities, you can quickly find yourself in a world of pain.

As Foley went on to say: "Everyone can see I had a rocky year." ●

SPLIT DECISIONS

SIBLINGS IN BUSINESS TOGETHER CAN BE A SOURCE OF SOLIDARITY BUT ALSO TENSIONS, SO THE ABILITY TO DEFINE BOUNDARIES IS CRUCIAL

BY DANIEL THOMAS

The last time I interviewed property tycoons Nick and Christian Candy together was over a game of Monopoly at One Hyde Park, their then newly built luxury apartments in Knightsbridge, London.

While Monopoly is hardly conducive to family harmony at the best of times, it was striking how close this contest came to descending into bickering between the brothers over opposing strategies of building and selling.

Far from following similar approaches, the siblings played in quite different ways: Nick buying anything he landed on, from railway stations to Mayfair, while Christian focused his spending on a narrow group of prime properties.

But, as the game reached its climax, the brothers suddenly aligned their interests: they merged their portfolios and swiftly brought the game to defeat for me and victory for Candy and Candy.

And that, it seems, is the primary benefit of working with a sibling: at the end of the day, your brother or sister always has your back.

Family relationships can often prove the bond that keeps the company going through the toughest of times. Or they can be the source of simmering tensions that rip companies apart and put families at feud.

"The siblings team is the most difficult team to make happen in a family business context," says Denise Kenyon-Rouvinez, adjunct professor at the John L Ward Center for Family Enterprises at Northwestern University's Kellogg School of Management. "Siblings argue and are often in ▶

PHOTO: QUETZAL MAUCCI, FOR THE FT



Perfect fit
Valentina and Silvia Cangiano look after the creative and commercial sides, respectively, of their business



opposition. This said, if siblings can learn and accept that their differences are in fact their strengths, then sibling teams become some of the most powerful teams there can be behind a business.”

The Monopoly game was a reflection of the Candys’ relationship at the time, working together but focused on different areas of their business, which developed and designed a portfolio worth billions of pounds of properties in the UK, continental Europe and the US.

The 48-year-old Christian was seen by many in the property sector as the “numbers guy”, whose development company was behind the construction of One Hyde Park and who would prefer to keep out of the spotlight and worry about cash flows and debt finances. Meanwhile, Nick, 49, was the face of the company’s schemes and led its more creative elements. A spokesperson for Nick said he would be unable to help with this article owing to travel commitments.

Often siblings see an advantage in having complementary skills in managing their business. The need to maintain an equitable split ownership structure can be demanding, so many sibling managers each take responsibility for a distinct set of functions, products or services, which can help avoid unnecessary tensions.

“A sound governance system and clear processes are needed,” says Kenyon-Rouvinez. “Siblings need to know who decides on what and respect their respective line of authority to avoid unnecessary arguments and fighting.”

Brothers Reiss and Kristian Edgerton founded women’s clothing company Aybl in 2018 and share many responsibilities. Reiss, though, handles more of the marketing, operations, ecommerce and merchandising, while Kristian has a greater focus on design, brand and logistics. “But we both get stuck into everything; we are equally involved in finance,” says Reiss.

Reiss says fraternal trust is a key advantage. “Far too often have you seen business partners fall out, usually over money. We are both working together as brothers. Sharing the same last name counts for something in our world.”

When I call Raissa de Haas, she immediately puts me on speakerphone so I can also talk to her twin, Joyce. The sisters co-founded spirits mixer company Double Dutch. As in many other sibling business relationships, the pair split their roles clearly. Raissa handles exports, sales and marketing, while her sister looks after the finance and operational sides.

This was not because either had any greater aptitude for these roles, Raissa says — although she admits her sister has become more interested in spreadsheets, whereas her own passions lie more in branding.

Raissa sees it as beneficial to work with someone she knows almost as well as herself. “It is super-efficient to be in a business with a sibling,” she says. “You can 100 per cent trust each other. We are both 100 per cent passionate about Double Dutch and have the same long-term plans.”

Entrepreneurs Valentina and Silvia Cangiano have also found a natural way to divide the work in their business, a







1
Nick and Christian Candy at One Hyde Park with the author, right

2
Brothers Anil and Mukesh Ambani split their holdings after an acrimonious court case

3
Kristian and Reiss Edgerton founded women’s clothing company Abyl in 2018

high-end brand management agency called Style Lab that advises companies such as Bentley Motors.

Originally from Bordighera in northern Italy, the sisters opened a boutique in London in 2008, then, in 2013, launched Style Lab. Like the Candys, they quickly found that their patterns of work were neatly divided, one handling the creative side and the other the commercial. “I have the more creative mind and work with the concepts,” says Valentina, the elder of the two, at 39 to Silvia’s 36. “She closes the contracts.”

Valentina says the two sisters are very close, helped by a typically Italian sense of the importance of family. “What we have achieved is a source of family pride. We stay together no matter what,” she says. “We always have each other’s backs.”

Andrea Colli, head of the department of social and political sciences at Bocconi university in Milan, says siblings normally share “the same cultural background, values, culture and vision of the world”. He adds: “This allows them to agree more easily on a set of corporate values and cultural settings, which may be incorporated in the business. When siblings work in the same company, this strengthens the cultural identity of a company.”

Managing egos can be complicated in families, and no one wants childhood resentments becoming adult divisions. Rivalries around positions of power and lines of command can become flash points, admits Kenyon-Rouvinez, alongside arguments over remuneration.

Property is a sector where brothers seem to prosper, however. David and Simon Reuben started by trading in the

PHOTO: GINO SPRIO; ADNAN ABIDI/REUTERS; ANDREW FOX FOR THE FT

‘You don’t have to be diplomatic. With a twin it’s a five-minute argument, then it blows over’



3

‘Siblings need to know who decides on what and respect their respective line of authority’

metals market but went on to build an extensive portfolio of properties across London. Beginning in the 1960s, David and Frederick Barclay also created a business empire that included property, retail and media assets, notably ownership of Telegraph Media Group. Topland, another property investor, is owned by Sol and Eddie Zakay, while Vincent and Robert Tcheguiz have been prominent real estate owners in London.

Not all relationships last, though. The Barclay twins had a bitter and high-profile falling-out, with details of their relationship exposed in High Court disputes after the death of David.

Both the merits of sibling-led companies and the potential dangers are evident in family and business cultures around the world. Among the best known sibling bust-ups was in the Ambani family, one of India’s richest commercial clans.

In the late 2000s, Anil Ambani sued his brother Mukesh for defamation, accusing his company of “plain and simple corporate greed”, although the pair have since split their holdings and patched up their relationship. The brothers’ Reliance group was first divided between them in 2005 after their father Dhirubhai’s death.

The dynamics between siblings such as the Ambanis who have inherited wealth and a business empire can be different to situations where siblings have created their own venture. Colli says that, in these cases, “the founder or the generation passing the command [needs to] makes choices establishing some kind of primacy or hierarchy, taking into account the attitudes of the different siblings and their competences in terms of leadership — which are not to be confused with technical competences”. He adds that the family “must realise that there are differences among siblings in terms of leadership, charisma and authority”.

Succession planning can cause problems. The Murdoch media empire is frequently cited as an inspiration for hit streaming series *Succession*, a tale of warring, duplicitous brothers and an equally Machiavellian sister who will stop at little to take control of the family business. In the real Murdoch family, too, there are questions about which of three children will succeed their father Rupert, 91, as head of the business.

Colli says there are two alternative models that can help in succession planning. The first avoids selecting a leader among the following generation and instead appoints someone outside the family to run the business, with the family retaining control through a holding company or trust. The second is to appoint someone external to the family to select the son or daughter best endowed in terms of competence and leadership.

But, even when siblings achieve commercial success, working together has its downsides, in particular in the blurring of work and family life. ▶



Balanced mix
Joyce and Raissa de Haas have built on their mutual trust as sisters to split the running of their company

The name of Raissa and Joyce de Haas's company, Double Dutch — so named because they are twins and were born and raised in the Netherlands — leads many to assume they will always be together, she says. "It's not always helpful." Any family gathering quickly becomes a sales meeting, says Raissa. "There has never been a Christmas that we don't talk about Double Dutch…but it's super-efficient, too."

Valentina Cangiano also says that her closeness to her sister surprises some clients, with the pair often working all day, then spending evenings together. But she adds that they can draw lines between work and downtime, especially when it comes to disgreements during the working day. "I can have a rough day at the office with Silvia, but then that's it."

Colli says siblings tend to tolerate higher degrees of inefficiency than other business partners. Valentina, however, says that, when differences do occur, family bonds cannot extend to overlooking faults. In fact, she suggests there is nothing like the honesty and candour of a close sibling to see through attempts to hide issues or avoid decisions. "If I have done something wrong, then she will tell me, and vice versa. There is a lot of trust," Valentina says.

> 'Competitiveness can be good if positively taken — we try to push each other'

Many siblings in business together say flexibility is important when joint decisions have to be made, but that a joint front is also often needed with staff, customers and investors. Valentina says her close relationship with her sister helps with decision-making.

"If we have a different point of view, then we try to work it out," she says. "It goes beyond the financial — it's not about being greedy with each other. Competitiveness can be good if positively taken — we try to push each other. We have had to count on each other's opinions."

Raissa de Haas says her relationship with her sister means they can be honest with each other without fear of a serious fall-out. "You don't have to be diplomatic. With a twin it's a five-minute argument then, 10 minutes later, it blows over."

Reiss Edgerton says a work-life balance between siblings can offer the best of the best in partnerships. "I don't think there is a business partnership in the world that hasn't had disagreements — we are not an exception," he says. "We play golf together every weekend and I can't remember a disagreement following us on to the course.

"A good partnership understands each other's strengths and weaknesses. Always keep your ego in check — it's easy to forget where you came from." ●


forward.
We're living through a perfect storm of uncertainty: Climate. Geopolitics. Inflation. Recession.
But it's for times like these we exist.
With over 225 years of experience, we know there is only one way through this storm: forward.
For an unstoppable sustainability transition is already well underway, revolutionising Energy, Food, and Materials systems.
Transforming our entire economic model far more fundamentally than many imagine.
With forward-minded investment solutions our role is to calmly guide our clients.
Towards a future that has already begun.
Find out more at LombardOdier.com
rethink everything.®
17 96
LOMBARD ODIER
LOMBARD ODIER DARIER HENTSCH
PRIVATE CLIENTS
ASSET MANAGEMENT
TECHNOLOGY
Certified B Corporation
Investments are subject to a variety of risks. This is a marketing communication. Please refer to the prospectus, the KIID of LO Funds SICAV and your investment advisor before making any final investment decisions. Lombard Odier (Europe) S.A. UK Branch is authorised and regulated by the Commission de Surveillance du Secteur Financier ('CSSF') in Luxembourg and is authorised in the UK by the Prudential Regulation Authority ('PRA'). Subject to regulation by the Financial Conduct Authority ('FCA') and limited regulation by the PRA. Financial Services Firm Reference Number 597896. Lombard Odier Asset Management (Europe) Limited - authorised and regulated by the FCA in the UK. ©2022 Lombard Odier

FIRM FOUNDATIONS

FAMILY BUSINESSES FORM THE BASIS OF A STRATEGY FOR ASSET MANAGER CARMIGNAC, WHICH BELIEVES THEIR LONG-TERM THINKING IS THE KEY TO GROWTH

BY HARRIET AGNEW
PHOTOGRAPH BY CHARLIE BIBBY

ermès International and Cintas Corporation operate at either end of the sartorial spectrum. The French luxury group is globally renowned for the silk scarves, high-end jewellery and €10,000-plus Birkin bags it sells to well-heeled customers. Cincinnati-headquartered Cintas, meanwhile, makes functional products, such as uniforms, mats and mops, that it supplies to businesses.

But despite these contrasts, the companies also have much in common. Both were set up by entrepreneurial founders whose descendants retain sizeable ownership stakes. And they are the two best-performing investments this year in the Carmignac Portfolio Family Governed fund.

The fund was launched just over three years ago by French asset manager Carmignac, itself a family business that was set up by investor Edouard Carmignac in 1989. It is run by Mark Denham, head of European equities, and portfolio manager Obe Ejikeme.

"Carmignac is a family-governed business and we're aware that, sometimes, in order to make the best long-term strategic decision, you have to go against [consensus] thinking on a short-term basis," says Denham. "You have to be prepared to make those long-term decisions."

Long-term thinking, an entrepreneurial mindset and shared culture are three qualitative reasons that make investing in family businesses appealing, the fund's managers believe. When they explored launching a strategy around this philosophy, they sought empirical evidence to support their thesis. Their analysis of the returns of about 500 companies between 2004 and 2019 revealed that family businesses outperformed the MSCI World index by an average of 1.7 per cent a year. These companies were typically more profitable, both in terms of return on equity and return on invested capital and, with owner families' skin in the game, they used less debt.

"Family businesses were more profitable than non-family businesses almost every year," says Ejikeme. Their tendency not to use debt to finance their growth is another draw in a world of rising interest rates, he adds.

This echoes findings in other research and it has led financial services companies such as Pictet of Switzerland and the Franco-German Oddo BHF to offer funds that invest in family businesses.

A 2018 report by Credit Suisse also found that family companies — where founders or descendants hold at least 20 per cent in direct shares, or their voting rights are at least 20 per cent — tend to outperform their non-family peers with stronger top-line growth, better profitability and more conservative balance sheets. Their longer-term investment focus helps them to look beyond quarterly earnings announcements and invest for the long term, the report said.

The Carmignac team constructs its portfolio using criteria that whittle down the universe of 700 or so family businesses to 35-40 positions, primarily in mid to large-cap stocks. As a first port of call, they look for the governing influence of a family, founder or foundation with at least 10 per cent of the shareholder voting rights. "Voting rights are more important than size of ownership," says Ejikeme.

Liquidity is another important consideration: the fund managers look for stocks that have an average daily trading volume of at least $25mn. Other criteria include profitability, earnings reinvestment and the quality of a company's governance. While 62 per cent of the universe of 700 family companies are based in emerging markets, many of these don't meet the criteria for profitability or governance. The managers end up with a choice of about 150 companies globally that satisfy all the criteria. ▶





Long-term thinking Mark Denham and Obe Ejikeme use exacting criteria in selecting stocks

CARMIGNAC PORTFOLIO FAMILY GOVERNED'S TOP 10 HOLDINGS

Company	Country	Sector
Eli Lilly	US	Healthcare
Danaher	US	Healthcare
Novo Nordisk	Denmark	Healthcare
Veeva Systems	US	Healthcare
Copart	US	Industrials
Estée Lauder	US	Consumer staples
Paychex	US	Information technology
Cintas	US	Industrials
Mastercard	US	Information technology
Roche	Switzerland	Healthcare





1
The Birkin bag by Hermès, a Carmignac holding

2
Another position is in workwear company Cintas

Governance matters where families are involved, argues Denham. "It's all very well investing in family-controlled companies, but there's a risk as a minority shareholder that you get taken in a different direction against your wishes," he says. "It's very important that we make sure there are proper controls and structures in place to protect minority shareholders and that, in practice, the family or foundation control is used in a benevolent way for the benefit of all shareholders."

Carmignac has its own experience of how having a family shareholder does not leave a company immune to trouble. Its overall assets have fallen from €57bn at its peak in 2017 to €33.2bn today, and its flagship Patrimoine fund has underperformed its benchmark over the past five years. Founder Edouard Carmignac stepped back from day-to-day management of Patrimoine in 2019 but remains chairman and chief investment officer.

While corporate governance risks, such as a lack of succession planning or overly long-serving board members, are a key consideration, even more important are "corporate behaviours", adds Denham. "One clear red flag would be if there were so-called related party transactions between the founder or the family and the company."

This year, to November 15, the Carmignac Portfolio Family Governed fund is down 15.1 per cent, underperforming its benchmark, MSCI's flagship equities ACWI index, which has lost 8.3 per cent in the same period. Since launch, the fund has underperformed the index by about five percentage points.

However, the managers say this underperformance in 2022 is partly because quality stocks (which are highly profitable, have stable cash flows and low debt-to-equity ratio) have underperformed value stocks (those with low price/book and price/earnings ratios) this year, and the universe of family companies is weighted more to the former.

"In years like 2022, when quality companies have lagged the general market returns, that can create a short-term headwind to performance," says Denham. This year, the energy, materials, industrial and banking sectors have outperformed, and they count fewer family companies among them.

Half of the portfolio's top-10 shareholdings are in healthcare. These include US group Eli Lilly, of which Lilly Endowment, a private foundation, owns just over 10 per cent, and Denmark's Novo Nordisk, just over 30 per cent of whose shares are owned by the Novo Holding foundation.

The Carmignac portfolio has a low turnover and will typically change five investments over the course of 12 months. When the voting rights of Pieter van der Does, founder of payments company Adyen, fell below 10 per cent, the fund sold its position. Similarly, when a general review highlighted "inadequate oversight of the accounting process" at a US industrial company, they divested.

The Carmignac Portfolio Family Governed fund runs €30mn and has just passed its three-year track record, an important criterion for fundraising. "Until you have a three-year track record, no one wants to consider the concept," says Denham. ●

'It's very important there are proper controls and structures in place to protect minority shareholders'

PHOTO: EDWARD BERTHELOT/GETTY IMAGES



Investing in our environment through private markets

NICOLAS THOMAS
Principal Thematics-Private Equity

ROBERT SUSS
Head of Pictet Wealth Management UK

We live in a rich environment, one bountiful in natural resources and awe-inspiring beauty. And there are even plentiful investment opportunities that can help preserve planetary riches while growing the long-term value of investors' portfolios.

Innovative environmental investment opportunities have emerged across multiple subthemes, including reducing greenhouse-gas emissions and controlling pollution, as well as promoting the circular economy, sustainable consumption and clean technology.

Accessing the environmental innovation opportunity

Because many of the solutions required to solve today's environmental problems mean rethinking current processes, innovators are often starting with a blank sheet of paper. While this has many advantages, it also means much more investment is needed than for other types of innovation before an idea achieves scale. For example, to step up the replacement of petrol- and diesel-run cars, it is not enough to perfect electric motors; one also has to build a network of readily available charging stations, re-train maintenance technicians, etc.

1 Source: Grantham Research Institute on Climate Change and the Environment
2 Source: SBTi, 2022
3 Source: Net Zero Asset Managers, 2022
4 Source: HolonIQ, 2022

In other words, for a single idea to take off can mean having to innovate simultaneously in different directions. The most highly innovative companies tend to be relatively young and privately held, meaning the best way for investors to access them is through private-asset markets. Since it typically requires committing capital for longer time periods, private-asset investing is a natural fit for investors willing to accept the longer timelines often associated with making revolutionary change.

We are at the crossroads of several megatrends

The momentum for environmental action has been building on several levels, including legislation and investment regulations.

Climate change is now a key priority among policy makers and business leaders. As of today, 2,671 climate laws and policies have been enacted around the world[1], while companies with a collective market capitalisation of USD38 trn at end-2021, one third of the world total, have committed to cut their carbon emissions in line with strict climate goals[2].

Also at end-2021, the Net Zero Asset Managers Initiative, which commits signatories to supporting the goal of achieving net zero greenhouse gas emissions by 2050, represented USD57.5 trn in assets under management[3]. Such commitments suggest that public policy makers, big business and capital allocators have all joined the movement to limit climate change in a meaningful way.

New environmental solutions proliferate. Although many require an extra shot of capital investment to reach scalability, there have been a number of success stories. The past few years have seen a surge in the number of companies focused on environmental innovation, including 46 climate-tech 'unicorns' (privately-held start-up companies valued at over USD1 bn[4]). While largely focused on energy, agriculture and transport, one also finds companies engaged in areas such as sustainable packaging and carbon measurement.

Finally, there is growing public demand for climate action, expressed both in the polling booth and at the check-out.

In the US, President Biden was elected on a strong climate platform in 2020, when an astonishing 52% of Americans polled said protecting the environment should be a top government priority. Australian voters elected a pro-climate prime minister, Anthony Albanese, as well as a host of Greens and pro-climate independents in federal elections in May this year. And in Brazil, the newly elected president, Lula da Silva, has pledged to meet the goal of "net zero deforestation". Consumers, particularly Millennials and members of Gen Z, increasingly demand for brands that promote sustainability and the circular economy, putting pressure on retailers to respond accordingly.

The transformation to a more environmentally friendly and sustainable future will create new sectors and jobs even as it replaces old ones and will yield a multitude of investment opportunities in the process.

Pictet Wealth Management
Pictet & Cie (Europe) SA, London Branch
Sixth Floor, Stratton House
5 Stratton Street, London W1J 8LA
+44 207 847 5000

www.pictet.com

PICTET 1805

This advertisement has been approved for issue by Pictet and Cie (Europe) S.A., London Branch, which is authorised and regulated by the Commission de Surveillance du Secteur Financier (CSSF) and subject to limited regulation by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). The value of an investment can go down as well as up, and investors may not get back the full amount invested. The information and data furnished in this content are disclosed for information purposes only and do not constitute a solicitation to subscribe to products or services of Pictet London Branch. Pictet London Branch is not liable for the use, transmission or exploitation of the content of the site. Therefore, any form of reproduction, copying, disclosure, modification and/or publication of the content is under the sole liability of the addressee of the content, and no liability whatsoever will be incurred by Pictet London Branch. All rights reserved. Copyright 2022



Sitting pretty
Prime sales in areas such as Kensington, Chelsea and Knightsbridge are above pre-pandemic levels

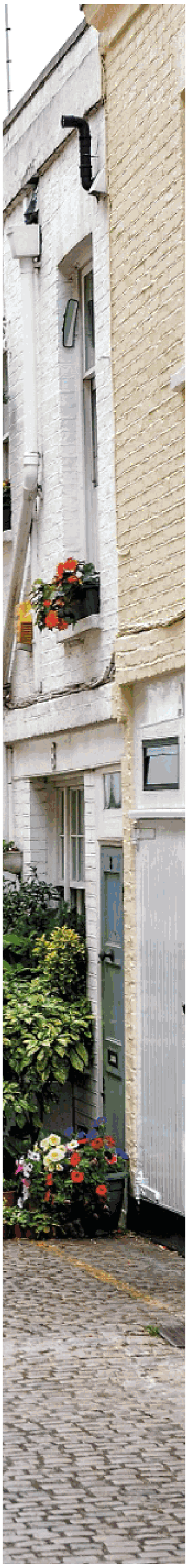


PHOTO: ANDRIY BLOKHIN/ALAMY STOCK PHOTO

TALK OF THE TOWN

CENTRAL LONDON'S TRADITIONAL PRIME PROPERTY HOTSPOTS ARE BEATING OUTER AREAS IN THE CHASE FOR INTERNATIONAL BUYERS

BY HUGO COX

Battersea Power Station may have a £37mn penthouse, but the newly redeveloped former industrial building on the Thames does not feel like a super-prime London property hotspot. In front, dozens of empty picnic tables arranged across a wide promenade separate the building from the river. Inside, rows of retailers, including familiar brands such as Adidas and Swatch, give it the air of an everyday shopping centre, rather than a residential enclave for the very rich. In Starbucks, Andrew, a 35-year-old tech worker, is unimpressed: "The place feels like someone has plonked a huge Westfield [retail mall] down right next to the river."

Battersea Power Station is near the Nine Elms district, south of the river, on the other side from central London's traditional upmarket residential areas. Cranes, site hoardings and unfinished apartment blocks stretch across Nine Elms down the river to Vauxhall Bridge, testifying to the fact that the most visible changes in recent years to London's luxury housing market — and the city's skyline — have been outside the centre.

But, when it comes to the most expensive homes, the traditional hotspots of Mayfair, Belgravia, Knightsbridge and Chelsea still dominate. Some 131 of 176 properties that sold for more than £5mn in London between January and June were in the boroughs of Kensington and Chelsea or Westminster, according to Land Registry data analysed by estate agent Hamptons.

The central London market is booming and is now above pre-pandemic levels. So far this year, there have been 81 per cent more sales above £5mn than in the same period in 2019. By comparison, sales in London's most desirable outer neighbourhoods, such as Chiswick or Queen's Park, are up 13 per cent, according to LonRes, a property data provider. Recent increases in mortgage rates this year have left sales in outer neighbourhoods down 19 per cent compared with 2021, although those for £5mn-plus properties remain steady.

"The Power Station is not really on my radar for those higher-value sales: most of my clients wouldn't consider crossing the river," says Alex Christian, co-head of the London private office of estate agent Savills. International buyers whose main home was not in London deserted the city during the pandemic but are now returning. And super-rich business people and their families are seeking the best homes in central London, according to buying agent Roarie Scarisbrick.

He weaves through the back streets of Chelsea and Belgravia in his electric car, around Pelham and Egerton Crescents, each of which hugs private gardens. At 26 Pelham Crescent, a blue plaque commemorating an eminent former resident — Nigel Playfair, an early 20th-century actor and producer — speaks of the neighbourhood's heritage.

"These homes are very popular with Americans working in tech and finance. Also, the buyers who have come from Hong Kong, Kuala Lumpur or Mumbai, who appreciate the peace and greenness," Scarisbrick says.

Houses here fetch between £10mn and £15mn, or £3,000-£3,500 per square foot. Buyers on smaller budgets head south, crossing King's Road to the part of Chelsea containing Redburn Street and Flood Street, where smaller, Victorian terraced houses sell for between £4mn and £6mn, equating to £2,000-£2,500 per sq ft.

Soon we arrive at The Boltons, Chelsea's crown jewel, where the largest homes — including several owned by Middle Eastern royals — fetch around £50mn. After counting seven, I lose track of the number of homes behind construction hoardings. Frequently, alterations are on a ▶

1
Struan Robertson, co-owner of Provenance buthers in Chelsea
2
Shops like Provenance have benefited from the Cadogan Estate's meticulous stewardship



1



2

gigantic scale: on one, only the facade remains, propped up by huge steel supports like a decaying film set.

Sterling's weakness against the dollar — in which many hold their wealth — is an important factor in the prime central London market, according to estate agents and developers.

However, rising interest rates — most of the super-rich still borrow for their purchase — means buyers are driving a harder bargain, says Christian. "I'm getting more enquiries from the Middle East, and US techies and hedge funders. What's keeping the super-prime market going is a willingness for sellers to meet buyers half way. Owners of homes that have been on the market for a long time are cutting their prices to achieve a sale," he adds.

But developers of new-build apartment blocks in central London — where some homes have sold this year for more than £5,000 per sq ft, according to LonRes — dismiss talk of discounts. They are serving the super-rich vogue for apartments with hotel-style facilities, including concierge teams and extensive leisure facilities. Savills says there are 640 such schemes worldwide and that this number will increase to 1,100 by 2027.

As things stand, though, no more large luxury flats will be coming to Mayfair, after Westminster council ruled that new-build homes could be no larger than 200 sq m. And, in Mayfair, size matters. In 2021, 1 Grosvenor Square, a new development, was launched with 45 homes for sale. Today, with all but six sold, the building contains 39, after buyers of some adjacent homes knocked them through. Gabriel York, co-chief executive of Lodha UK, the developer, says these amalgamations took place before the new rules came in. He adds that most residents are CEOs, tech entrepreneurs or hedge funders who favour the central location. "They are working all hours and want to be close to the office." Many residents are moving to Mayfair for the first time, he says. "We built it for oligarchs and sheiks, but most of our buyers have been from the US, the UK and Europe."

Peter Wetherell, a longstanding Mayfair estate agent, says: "Increasingly, developments like 1 Grosvenor Square are favoured by buyers who would previously have spent three to six months each year renting a suite at [Mayfair hotels] The Connaught or Claridge's."

Wetherell, Scarisbrick and Christian all point to growing

'The poorly planned sprawl of Nine Elms is awful. We've forgotten how to build places for people'

PHOTOS: NICO WILLS



activity by buyers from the US and China. "At the back end of last year, roughly 10 per cent of my viewings were buyers from greater China and very few were looking at homes north of £10mn. Now, they account for 50-60 per cent of viewings," says Christian.

In addition to the lifting of lockdowns and travel restrictions, concerns about the domestic economy and protecting assets from appropriation by the state play a role for Chinese buyers, as President Xi Jinping tightens his grip on power. One Channel Islands-based trust expert says he is helping two Chinese entrepreneurs buy homes in Europe: "Both are worried their assets may be seized and want somewhere their wealth and family can be safe."

These buyers also want a pleasant city centre location. For Scarisbrick, this element is crucial to central London's continued appeal. As our tour passes east from King's Road through Sloane Square to Eaton Square, the concentration of flats increases. Scarisbrick points to a private porter, uniformed and standing sentry-like with a furled umbrella.

Employed by the Grosvenor Estate, which owns much of the land here, porters can be seen day and night, on hand to help with luggage or provide a reassuring presence to residents coming home late at night.

For Yolande Barnes, chair of the Bartlett Real Estate Institute at University College London, the porters are one element of an integrated approach by central London's big landowners, which have invested in the appearance of neighbourhoods, including shops and green spaces. "The great estates have been getting the place-making right for decades," says Barnes, referring to Grosvenor and Cadogan, which own the largest share of freeholds in Mayfair, Chelsea, Knightsbridge and Belgravia; Great Portland Estates, which owns much of Marylebone; and the Crown Estate, which is focused around St James's and Regent's Park.

'Residents of 1 Grosvenor Square are working all hours and want to be close to the office'

She contrasts the pleasing streetscapes, well-designed public spaces and carefully selected shops in these areas with the "poorly planned sprawl" of Nine Elms, where multiple landowners have designed independent developments, leaving a hodgepodge of disparate sites. "It's blooming awful and typical of the general trend of 20th and 21st-century urbanism that prioritises roads over streets. We've forgotten [how] to build places for people," she says.

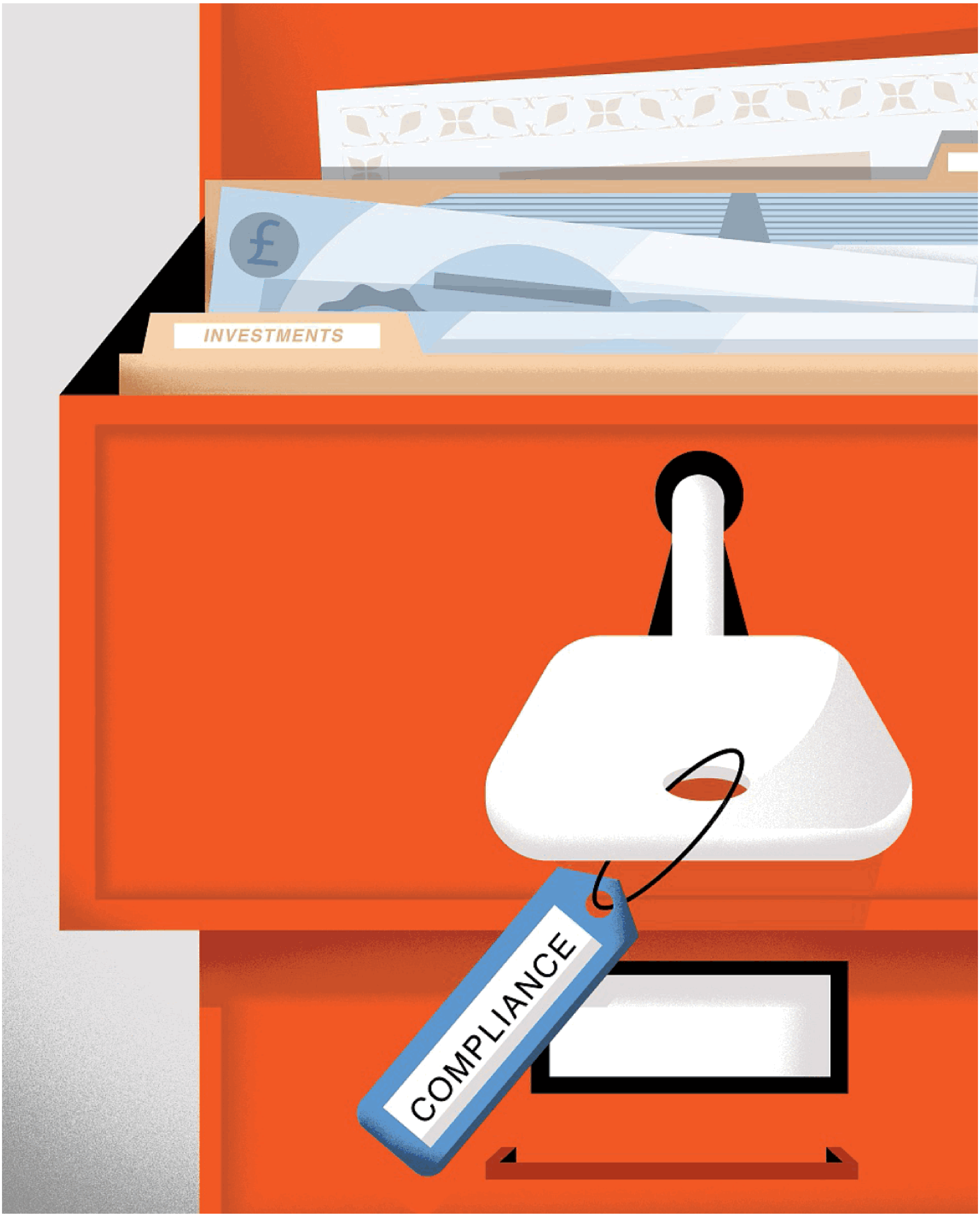
On a mild autumn morning, Chelsea's Pavilion Road, redeveloped by owner the Cadogan Estate, is bustling. People are walking dogs, chatting in coffee shops, or collecting supplies from the elegant fishmonger, baker, greengrocer and wine store. At Provenance Village Butcher, which opened its first shop in Notting Hill, west London, in 2013, a customer has just bought three Japanese Wagyu steaks for £350. Co-owner Struan Robertson attributes the high street's success to his landlord's careful stewardship.

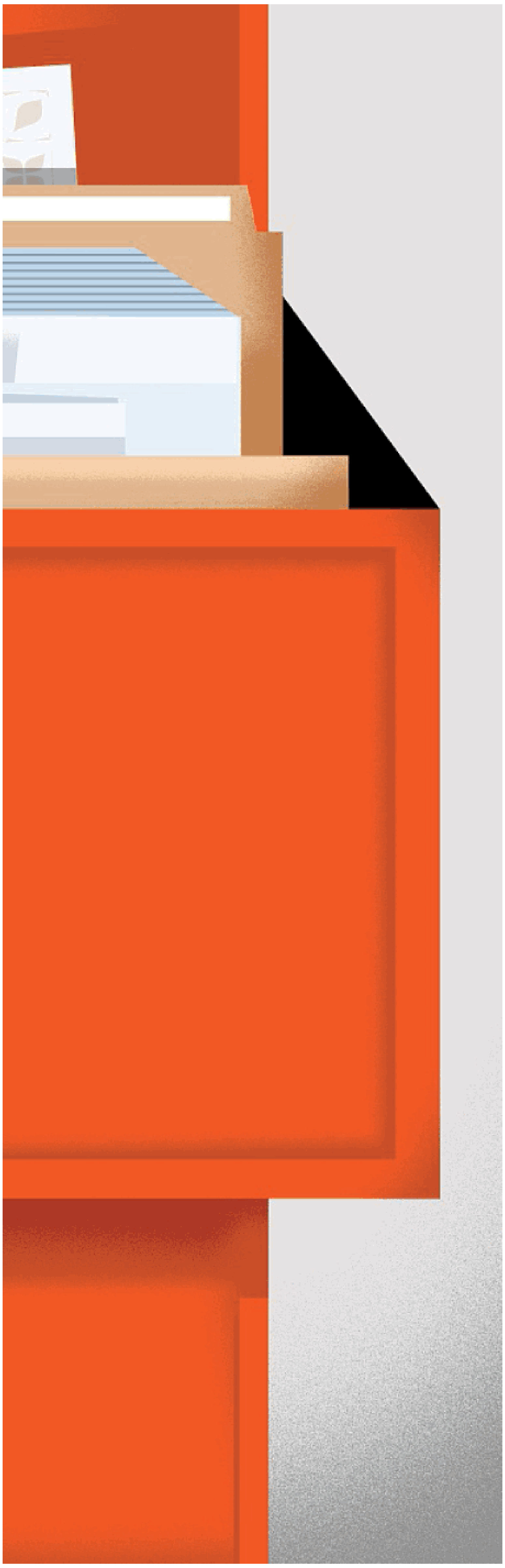
Cadogan protects the specialities of shops — Robertson can't sell wine and the wine shop can't sell fresh meat, and so on. In exchange, Cadogan sets reasonable rents and keeps a close eye on what the shopkeepers do. "If you are charging Chelsea prices, people expect Chelsea quality," Robertson says. "But it works: shoppers can fill their whole basket on the street, so they come here rather than [upper-range supermarket] Waitrose."

Barnes is clear about cause and effect. "Obviously, central London is all about location. But you have to ask why the location is desirable in the first place. It's not because they are super-prime that they are being invested in and managed in this way; it's because they are being invested in and managed in this way that they are super-prime," she says.

Nearby, in Mayfair, a well-heeled resident has watched the latest rejuvenation of Mount Street (the high street linking Berkeley Square with Hyde Park) courtesy of Grosvenor Estate. "The first time I noticed it was about 10 years ago, when a shop opened selling the scent I wear," he says. "Up to then, I'd only been able to find it in [department store] Harrods or Paris." Since then, the place has mellowed, with restaurants easing dress codes, private clubs widening their membership, scruffy corners being spruced up and facades restored, he adds.

The Mayfair resident has been to Battersea Power Station but says he would never consider living there. "Yes, the £37mn penthouse was fantastic but, whether it's there or any other big new development, I'd find it very hard to move. I'm living in the most prestigious village in the world. And I just wouldn't want to go to the other side of the river." ●


INVESTMENTS
COMPLIANCE



FULL DISCLOSURE

COMPLIANCE CHECKS COME WITH THE JOB FOR HIGH-EARNING PROFESSIONALS BUT THERE ARE WAYS TO EASE THE BURDEN

BY EMMA BOYDE
ILLUSTRATION BY NATHALIE LEES

anding a dream job that pays $1mn-plus a year can be financially transformative. But, for many professionals, it also involves negotiating a growing number of barriers to managing this wealth.

Strict rules designed to handle conflicts of interest and combat insider trading are resulting in increasing scrutiny by compliance departments over employees' investment choices. These rules affect thousands of individuals, including people working in financial services, government departments and at law or audit firms — and the more senior the executive, the stricter the rules.

The requirements for taking up some jobs can feel intrusive and involve orders to supply detailed information on personal holdings and those of family members — even those with whom an employee may have little contact. It can also result in orders to sell.

Many executives accept the rules as part of the price of a highly paid job. However, others resent the level of supervision. One exasperated post on a Reddit thread reveals the frustration of trying to invest if you work for of one of the Big Four audit firms, EY, PwC, Deloitte or KPMG: "I agree if you are directly involved on a client [audit] you shouldn't be able to trade that company's stock. But it's ridiculous that I can't trade any stock on any company we audit when I am not on that engagement, let alone in audit or tax at all."

Another post by a disgruntled partner of someone who works at KPMG attracted 144 comments before Reddit's legal department shut it down: "I do not understand why, me, [her] partner, has to give all my stock purchase details to her company. She also says I have to sell the stock of a company even if she's not working with the client (the ▶

stock I own) but if the client is doing business with KPMG." They add: "Is this really mandatory or are there any workarounds [for] this?"

KPMG says that, as it is a regulated firm, employees and partners must understand their obligations, including those extending to family members.

These rules can seem especially draconian if the employee is accustomed to more permissive arrangements. "I recently moved to Big Four from a middle-market firm. The independence shit is annoying as hell. I can't do rapid-fire stonk [share] trading as easy as I used to," says another contributor to the thread.

"Independence" refers to the independence rules – part of a legal framework that requires individuals to show they could not benefit from knowledge gained from relationships formed in their work. The penalties, even for those who can prove they had no ill intent, can be harsh – typically instant dismissal.

The rules might come as a surprise to newly appointed senior executives and their families, but legal restrictions have been in place for decades. The US Insider Trading Act came into effect in 1988 after several high-profile market abuse cases and provides for hefty fines, and even jail terms, for those found guilty. In the UK, insider dealing was made a criminal offence in 1980, and further legislation, including the Criminal Justice Act of 1993, has tightened rules and increased penalties. For employers with global operations, stricter regulations in multiple jurisdictions create a particularly onerous burden.

KPMG says it now uses a web-based independence compliance system to assist high-ranking staff. This provides an investment inventory and a tracking mechanism for reporting acquisitions and disposals. It will identify and report impermissible investments and other non-compliant activity – for example, late reporting.

Deloitte has gone a step further for staff employed in the UK, where it now requires all new investments for senior employees to be transacted via an investment provider or platform listed on its own panel. "We have various regulatory responsibilities associated with fulfilling our independence obligations," Deloitte says.

Tyler Gellasch, chief executive of the Healthy Markets Association, which lobbies for greater transparency for investors, is unapologetic in defending the regulations. Having previously worked as a regulatory defence lawyer and served on the staff of the US Senate, where he helped draft the STOCK Act (Stop Trading on Congressional Knowledge Act), he believes there should be no tolerance of any bending of the rules.

"The deterrence effect of having all of these compliance policies is enormous," Gellasch says. "If people are tempted to insider-trade in their personal accounts, knowing that their compliance office is going to see it often squelches their ill-advised ideas." It is not unheard of for companies to employ private investigators if they believe there has been a breach, he says.

Gellasch points to a "typical" personal account dealing policy prepared by asset manager Janus Henderson Investors. "At all times, the interests of clients, in this case Janus Henderson funds and client accounts, take priority over your personal investment interests," the policy states.

The demands on a newly employed individual are stated very clearly. Within 10 calendar days of their start employees must disclose all relevant holdings, including those held by their spouse or equivalent partner, their children and any other adult living in the house or to whom they provide financial support.

Minimum holding periods for newly purchased investments range from seven days for exchange traded funds (ETFs) to as long as six months for some other securities, except where this restriction could "cause undue financial hardship" – in which case, the employee can apply for an exemption. Pre-trade clearance must be sought, unless the transaction is considered to be exempt.

"Please be aware that your ability to liquidate positions may be severely restricted under the policy, including times of market volatility," the policy states.

Janus Henderson is just one of thousands of organisations that have drawn up these policies. The requirements vary but are generally acknowledged to be strictest for auditors.

Executives often chafe at the burden. "It used to be a massive pain in the arse," says a former employee of a UK wealth management company. He recalls that the richest employees would use wealth managers to deal with not only their financial affairs but also their relationships with their compliance departments.

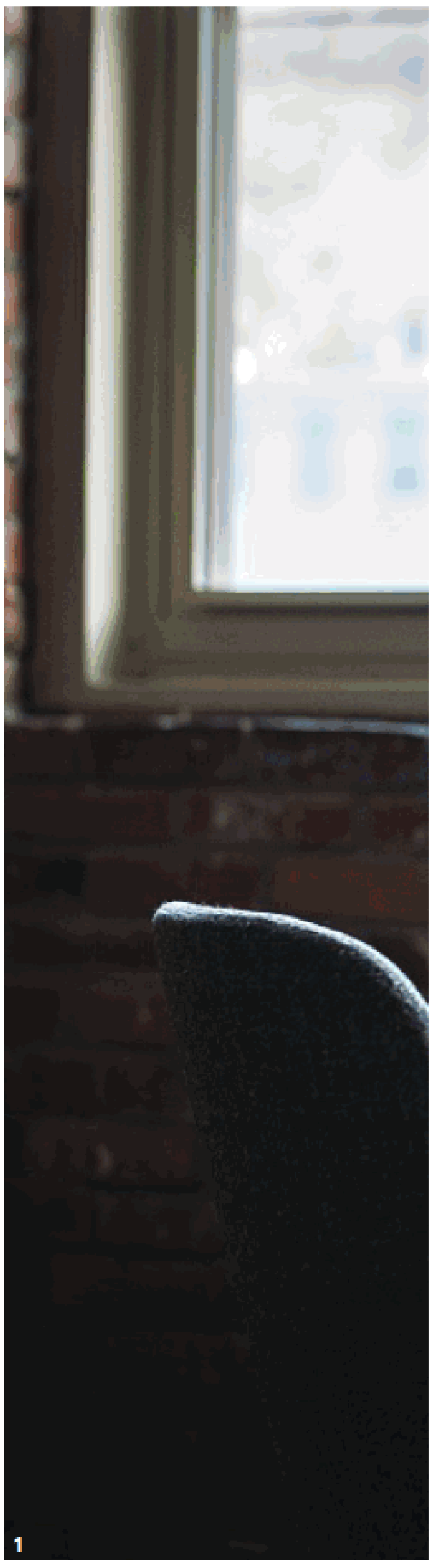
But for other, less senior staff, who perhaps cannot afford those services, compliance is more onerous. Even when they work in positions that do not require pre-trade clearance for personal dealings, it can still be time-consuming to send a piece of paper to compliance for every transaction.

"In any profession that's highly regulated, you get that dread of 'Oh no, what do I have to do now?' when you get the email from compliance," says Kathy Whatmough, investment and pension consultant at Rice Whatmough Crozier, which provides investment services, including for employees of Deloitte.

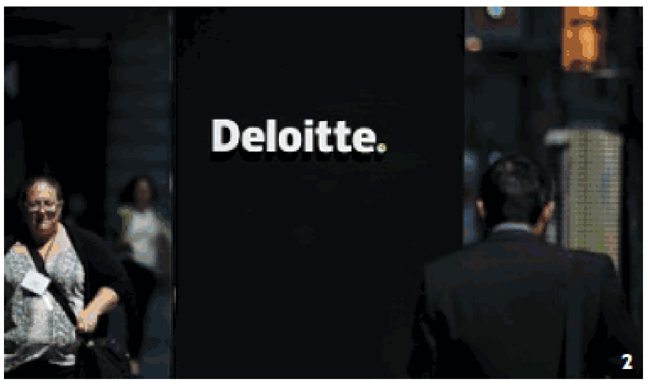
Where there is pain, though, there can also be gain for financial services companies that offer ways to smooth the process. In the US, there are longstanding arrangements with brokers that employees can access so that electronic feeds on trades and holdings are piped directly to their compliance departments.

For employers with particularly strict rules, however, the requirement for pre-trade clearance has spawned another industry: the provision of pre-approved investment services with automatic reporting.

Evelyn Partners is one of several companies that provide these services in the UK. "It's what we call a walled garden,"



1



2



3

1
Tyler Gellasch believes in zero tolerance on regulations

2
Deloitte has tightened investment rules for senior UK staff

3
Janus Henderson's personal account dealing policy states clients' interests take priority



says Leon Buckley, managing partner at Evelyn. "What's really interesting is that the breaches [of conflict of interest regulations] we've seen historically are usually genuine accidents. The market is huge and growing and [these walled garden services] are to everybody's advantage."

Nutmeg, an online provider of managed portfolios constructed out of ETFs, has also spotted the opportunity. Realising that its standard service would still be off limits for employees of some big audit firms, it now offers compliant portfolios for two of the Big Four: KPMG and Deloitte. "We realised relatively early on that our managed portfolios could provide a solution for many clients that eased the occasionally burdensome independence compliance requirements for individuals," says James McManus, chief investment officer at Nutmeg.

StashAway, a digital wealth management platform serving clients in Singapore, Hong Kong, Dubai, Malaysia and Thailand, says it works with the compliance teams of "multiple regulated entities" and has received the green light for their employees to use its platform "due to the discretionary nature of our portfolios, and ease of reporting".

But instances of employees being made to use employer-nominated investment providers might be leading to what one industry observer privately calls "mission creep". The former consultant, who does not want to be identified, says the rules are shrinking investment choices for employees.

However, as regulators around the world try to tighten rules, it is unlikely that regulations for people working in financial services will be relaxed any time soon. Quite the opposite — they may even be widened to other sectors.

For transparency campaigner Gellasch, it is all about removing temptation. "You're more likely to jaywalk if you think you can get away with it," he says. ●

'You get that dread of "Oh no, what do I have to do now?" when you get the email from compliance'

PHOTO: STEPHANIE STRASBURG, FOR THE FT; BRENT LEWIN/BLOOMBERG; KRISTOFFER TRIPPLAAR/ALAMY

SHOWS OF ANGER

ON-SCREEN DRAMAS THAT SKEWER THE RICH ARE BECOMING INCREASINGLY POPULAR AS TODAY'S FINANCIAL INSECURITY FEEDS A DEEPER SCEPTICISM

BY FIONA STURGES

1
Lucy Prebble
2
The first season of 'The White Lotus'
3
Matthew Macfadyen as Tom in 'Succession'

n the critically lauded, awards-festooned HBO drama *Succession*, a group of billionaire siblings vie with one another to win the favour of their media mogul father, who is one part Lear to two parts Rupert Murdoch. The Roy family's psychodrama unfolds against a backdrop of opulent locations, from gleaming townhouses and elegant country piles to the family's gargantuan superyacht.

The Roys' view of the world is neatly summed up by one of their number, Tom, played by Matthew Macfadyen. "Here's the thing about being rich," he says. "It's fucking great. It's like being a superhero, only better. You get to do what you want — the authorities can't really touch you. You get to wear a costume, but it's designed by Armani and it doesn't make you look like a prick."

When it debuted in 2018, *Succession* felt unusual in the very negative portrayal of its ultra-loaded protagonists. Where previous wealth-obsessed productions — from *The Wolf of Wall Street* and *Crazy Rich Asians* to the *Dallas* and *Dynasty* reboots — had their heroes and villains, the world of *Succession* is inhabited only by the latter, each of them more venal, self-interested and emotionally stunted than the last.

Four years later and *Succession* is no longer an outlier in presenting a critical portrait of the wealthy. Recent films such as *The Forgiven*, starring Ralph Fiennes and Jessica Chastain as moneyed travellers who wreak havoc in Morocco, and Netflix's *I Came By*, in which Hugh Bonneville's high court judge hides a bloody secret, show the moneyed elite exploiting their status to insulate themselves from the consequences of their actions. And this month brings a new ITVX/Amazon Studios series, *Riches*, about a family of wealthy black Londoners headed by Hugh Quarshie's self-made patriarch. When Quarshie's character suffers a stroke, the children from his two marriages go to war over the future of his empire.

Anyone who has seen the 1946 film *It's a Wonderful Life*, in which James Stewart's George Bailey takes on a town's callous money-lenders and wins, will tell you that heaping scorn on the rich is not a new thing in the entertainment business. But the sheer number of productions currently challenging the social and economic status quo, and showing the super-rich as feckless and cruel, suggests a real anger at a world where the richest 10 per cent own three-quarters of global wealth, and rampant inflation in food and energy prices is hitting the less well-off the hardest.

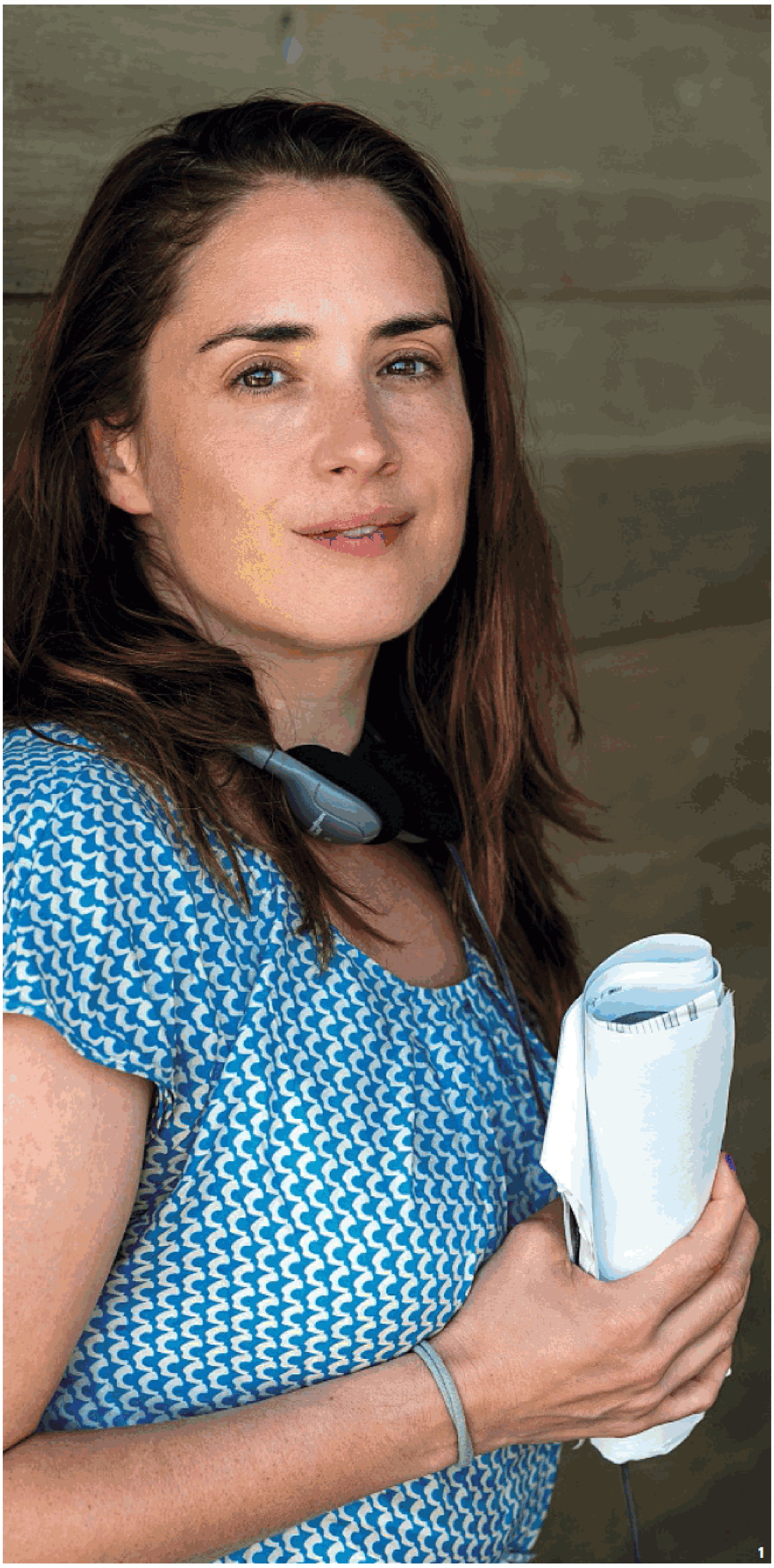
Lucy Prebble, a writer and an executive producer on *Succession*, notes that the seeds of the series were sown after the election of Donald Trump as American president in 2016, when "the US went from a politics of slick, exciting optimism into something cruel and base and regressive — a sort of innocence was lost". As a result, she says, the series' makers calculated on audiences being "more open to a cynical and less aspirational take on the powerful".

For Abby Ajayi, showrunner of *Riches*, the shift in how screenwriters view the wealthy originates in more pervasive financial insecurity, especially among the young. It is the result of "the realisation that, as millennials, we have no pensions and we can't buy houses. The things that we once expected to have, and our parents' generation expected for us, are no longer there. So [we] are more critical about the outsized billionaire class — like, who needs that much money?"

Which is not to say that *Riches* is not aspirational. Ajayi, who lives in Los Angeles, was born in London, the daughter of Nigerian immigrant parents. "From an immigrant perspective, wealth, along with education, is a way in which you gain stability, security, control and acceptance," she says. "Writing *Riches*, I was interested in what wealth in contemporary Britain looks like, and what it looks like in a black family where it isn't about generations of security. This is first-generation money, so the proximity to where it came from, and the fear of losing it, is still very present."

It is one thing, of course, to revel in the spectacle of rich people tearing chunks out of one another, but another to watch the impact of their actions on other people in





1



2



3

'From an immigrant perspective, wealth is a way in which you gain acceptance'

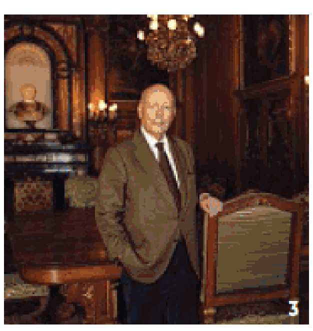
their orbit. In the Palme d'Or-winning film *Triangle of Sadness*, the billionaire passengers of a luxury yacht are shipwrecked on a desert island alongside the staff who, just hours before, had been cooking their meals and cleaning their toilets. No prizes for guessing who demonstrates better survival skills.

October brought the return of *The White Lotus*, the hugely successful HBO drama series that views the spoilt, narcissistic guests of a luxury resort through the eyes of the desk clerks, waiters, beauticians and cleaning staff paid to attend to them. Viewers of the first series will recall its startling dénouement in which Murray Bartlett's stressed-out hotel manager emptied his bowels into a guest's suitcase.

But, if that sounds extreme, it is nothing next to what the dirt-poor protagonists of *Parasite*, the Oscar-winning film by the South Korean director Bong Joon-ho, did after conning their way into the pristine, ultra-modern home of a high-flying businessman.

Do the rich really deserve such blanket opprobrium, though? Is it possible that the pendulum has swung too far against those who have, whether by accident of birth or from good business decisions, made a success of their lives? The director and screenwriter Julian Fellowes ▶





1
Abby Ajayi
2
'Riches'
3
Julian Fellowes

says the current crop of dramas tap into what he sees as "a subconscious desire in many people to believe that the rich and successful are somehow morally lacking — they have no taste, they have no values — when I would say that moral values are pretty evenly distributed among every level of society."

Fellowes is best known for his rose-tinted 19th- and 20th-century evocations of the British aristocracy in series such as *Downton Abbey* and *Belgravia*. He says "the rich in the past can be seen as part of a kind of pyramid structure that gave everyone a job to do, and the rich who did their job are considered essentially good".

"But I would argue that the same is true today. I know plenty of rich people who want to do good, where their own responsibilities are concerned, but also with causes affecting the general public. The idea that they are all selfish and self-serving is simply untrue, but can be traced to a widely shared wish that anyone really successful must be deficient as a personality and preferably miserable."

Prebble, on the other hand, has no qualms about cutting the wealthy down to size — she wants to chip away at the allure of the corporate route to getting rich. Jesse Armstrong (*Succession*'s creator) and the artists who make the show "are interested in a sort of pathetic cowardice and grey disdain that permeates the corporate world — something that sector desperately tap-dances to hide", she says.

"If we can make the life of finance or banking or

'The things we once expected to have are no longer there. So we are more critical about the billionaire class'



consulting seem more like what it is — an amoral talent-drain of young people processed into a graduate life that will financially reward them but not actually fulfil them — then I'm happy."

There is, of course, a practical reason for having rich characters in prestige drama, however we may feel about them. "Setting your story among men and women with money means wonderful backgrounds, marvellous clothes, and a visual feast, which is part of the business of screen entertainment," says Fellowes.

Prebble also notes that wealth "can be a bit of a trick to raise the stakes". The rich tend to be powerful, "which gives their actions, and inactions, bigger stakes, on a global scale, because what they do affects so many of us".

"In Shakespearean times, you might explore a human flaw or tragic frailty through a royal character. Nowadays, that might be more likely to be a CEO or tech overlord. I think the delight some people find with *Succession* is how ugly, petty and unhappy the lives of the mega-wealthy can be. Being driven to have and keep vast amounts of money, even when you have enough, reveals a certain sort of personality to begin with."

And, whether these people are accumulating money or losing it, we can't stop watching them — HBO reported an average of 6.1mn viewers globally of the last season of *Succession* while the first season of *The White Lotus* was watched by 7mn. Rampant wealth is inherently fascinating, even — and perhaps especially — for those who don't have it. It seems that, while most of us are happy to see the super-rich taken down a peg or two, we are not above mere rubbernecking.

Reality television long ago developed its own voyeuristic sub-genre, commonly called "wealth porn", an early example being the nakedly covetous *Lifestyles of the Rich and Famous*, which launched in the 1980s. More recently, one of the most popular series on Netflix in the early months of the pandemic was *Selling Sunset*, a brazenly trashy show about realtors at a luxury brokerage in Los Angeles who regularly snag six-figure commissions for a single sale, and which combines high-end property with outré fashion.

Ajayi notes there will always be shows made about very rich people, "because there is still that curiosity [about how they live], and because putting that gloss on screen brings audiences. It is a love/hate relationship really".

"We're enjoying watching the accoutrements of wealth and power, but now we're also seeing those people having the rug pulled out from under them. Which is fun, really, as, in the past, those people always won in their world." ●

'Riches' is on ITVX in the UK and Prime Video in the US and Canada. The second season of 'The White Lotus' is on HBO in the US and Sky Atlantic/Now in the UK. 'Succession' returns to HBO and HBO Max in the US and Sky Atlantic/Now in spring 2023

PHOTO: CLAUDETTE BARIUS/HBO; GRAEME HUNTER/HBO; CLAUDIA LUCIA, FOR THE FT; AMAZON STUDIOS; ALISON COHEN ROSA/HBO

@rhymerrigby

PSYCHOLOGY OF WEALTH
THE RICH NEED TO CONVINCE EACH OTHER TO PAY MORE TAX

BY RHYMER RIGBY



Abigail Disney says the only people billionaires will listen to are other billionaires

When the UK government announced a cut in the 45 per cent top rate of income tax (on earnings over £150,000) in September, the backlash was huge. But protestors included a surprising constituency: those who would benefit.

You might expect it from the actor and comedian Steve Coogan, who said: "I'm quite happy to pay 45 per cent income tax. I don't want a tax cut." After all, showbusiness types are notorious lefties. But the likes of John Caudwell, retail billionaire and Conservative party donor, also denounced it. "It was just absolutely stark raving mad," he told Bloomberg. "There was no political sense in it. There was no sense of fairness." He was not the only Tory donor to take that view, according to broadcaster ITV.

This is not the first such outcry in the UK — wealthy pensioners have said don't need winter fuel support from the state — but the sheer number of rich people saying loudly they are happy to pay more tax feels new. Factors behind this may include the pandemic (which largely boosted the wealth of the already rich), a visibly fraying state, and weak long-term wage growth.

In January this year, more than 100 millionaires, mostly from developed countries, also signed an open letter calling on governments to make them pay more tax. "We know that the current tax system is not fair," they wrote, pointing out that both their wealth and wider inequality had grown during the pandemic. "To put it simply, restoring trust requires taxing the rich. The world — every country in it — must demand the rich pay their fair share." The signatories included Americans Morris Pearl, a former managing director at BlackRock, and Nick Hanauer, an entrepreneur and venture capitalist.

It is not just the very rich, either. In 2020, an Ipsos survey in the UK found that earners of £35,000-plus a year were most likely to agree with the statement, "I am prepared to pay more taxes myself in order to fund public services".

In some countries, it is easy to do this: you can simply write a cheque to the government, although not many people do. In the UK, just 200 payments of extra tax — ranging from 4p to £600,000 — were made between 2000 and 2017, an FT analysis of official figures found. Norway received a paltry $1,325 when it launched a voluntary income tax scheme in 2017. In the US, it was rather more, with about $45mn in voluntary payments made between 2000 and 2017. But that is still peanuts compared with the vast sums governments normally deal with.

The rich are not necessarily being hypocritical in not writing their governments bigger cheques. Total government expenditure in the UK runs at about £1tn a year. Making a dent in that is difficult, no matter how wealthy you are. The richest people in the country — industrial tycoons the Hinduja brothers, who together are worth an estimated £28.5bn — would only be able to foot the bill for about a third of the UK's annual spending on education, if they sold all their assets.

In the US, even Elon Musk would not have a huge effect on government coffers: if he gave all his wealth away, he would only add about 3 per cent to expenditure for a year. Famously, in the early 20th century, John D Rockefeller — who was probably the wealthiest private individual in history — could have paid off the entire US national debt.

For this and other reasons — such as a belief that governments are inherently inefficient, wasteful or corrupt — the rich often choose to give their money to good causes instead. Chuck $500mn at the US government and it is a rounding error. Pledge the same amount to cure malaria and you might make a real difference. Indeed, Andrew Carnegie's legacy is still with us today, mainly in the form of libraries he paid for. This probably would not be the case if he had given money to the US Treasury.

But, even with such super-rich individuals, funding the state in big economies would only appear to work as a collective, compulsory endeavour. The mood among the wealthy might be changing, however, even in lower-tax nations. When Donald Trump was elected US president, many rich liberals joked that, much as they disliked him, they were in a "heads we win, tails we win" position. A common smug refrain from rich New Yorkers was: "I won't vote for your tax cuts, but I'll take them." Now, by contrast, we have millionaires writing open letters that say: "It's taxes or pitchforks. Let's listen to history and choose wisely."

Enlightened self-interest, perhaps, but it is telling that the very rich are speaking out. At a meeting of the Patriotic Millionaires — an American group founded in 2010 that wants the rich to pay more taxes — Abigail Disney, an early believer in this cause, said: "The only people billionaires will listen to are other billionaires and multimillionaires. And, if they won't listen, there are their children and their wives, and they will listen." ●



Rhymer is reading… *The Employees*, by Olga Ravn. Set on a 22nd-century spaceship and presented as a series of reports on strange artefacts, the novel is a satire on modern, productivity-fixated workplaces.

PHOTO: BLOOMBERG

OPINION

ACHIEVING LONG-TERM FINANCIAL SECURITY IS ABOUT INVESTING ADVENTUROUSLY NOW

BY CHARLEY ELLIS



Investors should think in terms of their 'total financial portfolio', of which property is a key part

PHOTO: PEOPLEIMAGES/GETTY IMAGES

We all make mistakes in investing, even the wealthy. Hopefully, they are small, little harm is done, and we can recognise our mistakes and learn how to do better — much better.

But one mistake is made by almost all investors almost all the time — and, because it is not recognised, they make it over and over again: taking decisions on securities in the wrong context, leading to an over-reliance on bonds. Their "framing" is not right, giving them little chance of choosing an appropriate strategy. And the long-term result of this self-inflicted blunder can do serious financial harm to wealth, particularly later in life.

When accumulating and investing in assets to assure retirement security many decades hence, or to pass on to the next generation, people worry far too much about price fluctuations in the near future. And so their portfolios are more "conservative", and more heavily invested in bonds, than is optimal.

When I was working for one of the world's wealthiest families, I asked the manager of a small trust for a young child why it was conservatively invested, with 40 per cent in ultra-safe bonds and 40 per cent in utility stocks. He had given no thought to the reality that the child would also be a beneficiary of other, quite enormous, trusts. So the small trust could have been much more adventurously invested.

This is to wrongly define the problem to be solved, and to ignore the value of the long-term investor's greatest asset — time. That — the period between now and when assets will be converted into spending — is the Archimedes lever of investing. (He said: "Give me a lever long enough and I can move the world.")

That is also why asset-mix policy is so powerfully important for long-term success in investing. The well-known differences in rates of return — particularly after adjusting for inflation — between stocks and bonds compound relentlessly over time. In the long run, the consequences are substantial.

So, what does this mean for the typical wealthy investor? The first step is to recognise that a securities portfolio is only part — even if it can be quite a large part — of what we should consider when making long-term decisions about investing.

Recognising those other parts of our total financial portfolio (TFP) can be quite a happy surprise, and they can be an important or even dominant factor in how we go about structuring our securities investments. Aside from inherited wealth, those parts are our real estate as well as the net present value of future earnings, savings and social security.

Investors often do not even estimate the total value of their future earnings and savings — partly because they are unfamiliar with looking at these streams of money over the years in a different way, as a lump-sum asset.

For high earners, the present value of future earnings and savings will be substantial, even enormous. Investors would be wise to develop reasonable estimates of the value of all their major financial interests (or have this done for them). Real estate and social security are both relatively stable in value, more like bonds than stocks, which brings us to an important reality. While the typical investor focuses only on securities and believes he or she holds the majority in equities, the reality in terms of their TFP is actually far lower.

Take someone with $1mn in securities, split 60:40 between stocks and bonds, as well as $1mn in home equity and $500,000 in present value of future savings and social security. While this person might think they are 60 per cent invested in equities, the reality is closer to 25 per cent when they take into account these other elements of their TFP. Seen this way, the person should invest much more of their wealth in equities.

Those with sufficient wealth to be comfortable living on the income from investments would be wise to consider separating their thinking about capital and income.

Dividend payouts are remarkably persistent in their gradual, uninterrupted increases. While share prices can fluctuate by distressing magnitudes, those who live within their incomes need not be concerned. They can, and likely should, commit substantially to equities. Personally, with my earnings and required distributions from retirement funds covering all expenses, I am, at the age of 85, really investing for my children and grandchildren. Given their rather long horizons, my securities investments are entirely in shares.

However, all too many of us — in the race to achieve financial security in retirement or to pass on to heirs a handsome inheritance — start out with wrong maps and keep our vehicles in the lower gear. Would that each of us could see the whole picture and make investment decisions based on our total financial portfolio. ●



Charley Ellis is founder of Greenwich Associates, a former board member of Vanguard and author of 19 books, including the recently published 'Inside Vanguard'



FIXED INCOME / EQUITIES / REAL ESTATE / ALTERNATIVES / PRIVATE CREDIT / QUANT SOLUTIONS

PGIM is the investment management business of Prudential Financial, Inc. (PFI); PFI is the 11th largest investment manager (out of 431 firms surveyed) in terms of worldwide institutional assets under management based on Pensions & Investments' Top Money Managers list published June 2022. This ranking represents institutional client assets under management by PFI as of December 31, 2021.

*Assets under management are as of 09/30/2022 and based on company estimates and are subject to change.

(1) Represents PFI's asset management expertise through PGIM and its affiliates and its predecessors. For additional information related to market cycles visit: www.nber.org/cycles.

PGIM is the principal asset management business of Prudential Financial, Inc. (PFI) and a trading name of PGIM, Inc. and its global subsidiaries. In the European Economic Area ("EEA"), information is issued by PGIM Netherlands B.V. with registered office: Gustav Mahlerlaan 1212, 1081 LA Amsterdam, The Netherlands. PGIM Netherlands B.V. is authorized by the Autoriteit Financiële Markten ("AFM") in the Netherlands (Registration number 15003620) and operating on the basis of a European passport. In certain EEA countries, information is, where permitted, presented by PGIM Limited in reliance of provisions, exemptions or licenses available to PGIM Limited under temporary permission arrangements following the exit of the United Kingdom from the European Union. These materials are issued by PGIM Limited and/or PGIM Netherlands B.V. to persons who are professional clients as defined under the rules of the FCA and/or to persons who are professional clients as defined in the relevant local implementation of Directive 2014/65/EU (MiFID II).

Prudential Financial, Inc. ("PFI") of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.

© 2022 PFI and its related entities. PGIM, the PGIM logo, and the Rock design are service marks of PFI and its related entities, registered in many jurisdictions worldwide.

BOOK REVIEW
POWER, AMBITION AND FAILURE IN ANCIENT ROME

BY STEFAN WAGSTYL

A rich man throwing his weight around in politics: Donald Trump is only the latest in a very long line. It goes back much further than many might think, beyond the American plutocrats of a century ago, beyond generations of Rothschilds, beyond even the Fugger bankers of late medieval times.

"The first tycoon", according to author Peter Stothard, was Marcus Licinius Crassus, a Roman financier turned political leader and general, who died 54 years before the birth of Christ.

Known as Rome's richest man, he built and rebuilt whole districts of the city. He brutally put down the Spartacus slave rebellion and carefully promoted the early career of Julius Caesar.

For those who love to see the wealthy humbled, he was also a spectacular loser — a man who, late in life, gambled everything on a military campaign in Asia Minor, which ended in Rome's greatest defeat and the loss of several legionary eagle standards. Crassus's severed head became a stage prop in a city on the Tigris river, far beyond Rome's borders, his mouth allegedly stuffed with gold.

As Stothard argues, Crassus's story may be more than 2,000 years old, but it still resonates with us. "Crassus was no ordinary failure, just as he had been no ordinary success — a man whose life as a businessman and politician posed both immediate and lasting questions about the intertwining of money, ambition and power."

A former editor of UK newspaper The Times, Stothard is too subtle to paint direct parallels with the contemporary world. But he does not need to. There are echoes everywhere: politics in Crassus's time is about people as well as policy, about crowds, connections and free entertainment for the masses. Power is accumulated through influence as well as violence. Money matters. A lot. What's new?

The advantage of looking at all this with the hindsight of two millennia is that the story can be stripped to its essence. And its essence is human nature. Crassus is persistently envious of Pompey, the successful army commander, who makes his fortune through war and plunder on Rome's eastern border.

Crassus, by contrast, bases his wealth on business; his weapons are loans, fire sales and expropriations. He buys property cheaply after the blazes that regularly strike Rome and the rough political campaigns in which rival landowners are driven out of city. No wonder Pompey is called "The Great" and Crassus, well, is not.

Jealous of this lifelong rival, Crassus also has to cope with the challenge to his dignity represented by the rise of a much younger competitor — Julius Caesar. While backing Caesar, Crassus also sees in him a painful reminder that only military victory earns Rome's highest honours. His own defeat of Spartacus does not fully count — armies, not slaves, were the enemy.



Final reckoning
The death of Crassus at the hands of the Parthians

So, at 61, an age when he might be enjoying his riches, Crassus decides to prove himself and launches an unprovoked war against the Parthians, a nation of horseback warriors then dominating the Middle East. The result is carnage. We are hardly short of such men today.

Stothard tells this story with elegant sweep. The cast of characters extends to the eloquent Cicero, the murderous Catiline and the brilliant Parthian general Surenas, whose reward for victory was execution by his jealous king.

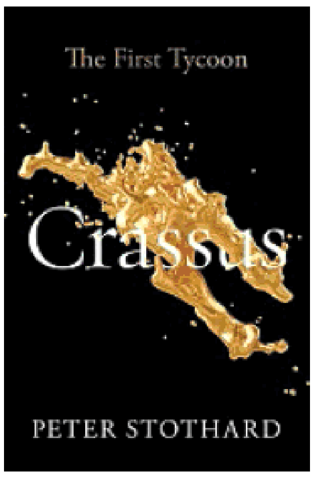
Inevitably, there are holes in the narrative, as sources have been lost. There is heavy reliance, as there is in any history of this period, on the Roman historian Plutarch, who had several of his own axes to grind.

But Stothard makes full use of what evidence is available. We learn of Crassus's aristocratic Roman background, his ruthless management of his businesses, his modest personal habits. A controlled man and a controlling one.

But a man not without passions, including his jealousies, his love for his adventurous son Publius and, fatally, the excess of ambition that led him to war and disaster. "He had long been renowned as his city's richest man, its secret financier, disrupter of old rules, fixer and puller of the puppet strings of power," Stothard writes. "This campaign was meant to change how men saw him."

The minutiae of war are examined, whether it is Roman armour or the Parthians' deadly arrows. So are the personal foibles — the piles of erotica the prudish Parthians captured from Crassus's more lascivious soldiers.

In this short volume of 158 pages, Stothard gives just about enough background for those unversed in Roman history to follow the tale. But his aim is not to paint a picture of SPQR. It is to focus on a man who will be barely known to most readers. And also worryingly familiar. That he has done — and done well. ●



Crassus: The First Tycoon by Peter Stothard (Yale University Press, £18.99)

PHOTO: SCIENCE HISTORY IMAGES/ALAMY

Presented by

PWM
PROFESSIONAL WEALTH MANAGEMENT

In collaboration with

FT LIVE

WEALTH MANAGEMENT SUMMIT ASIA

Competitive positioning in Asia's wealth boom

16 March 2023 | In-Person & Digital | The Westin Singapore

PWM & the **Financial Times** are delighted to present the inaugural Wealth Management Summit Asia, discussing the untapped opportunities for private banks seeking to capture market share in the APAC region.

Hosted by PWM's Editor-in-Chief, Yuri Bender, this year's Summit will bring together market-leading private banks, family offices, and wealth managers chasing ambitious growth in the burgeoning Asian wealth management space. Join us as we debate how best to scale up whilst navigating geopolitical tensions, regulatory shifts, and investment risks.



Arnaud Tellier
CEO, Asia Pacific
BNP Paribas Wealth Management



Angel Ng
Head of Asia, Citi Global Wealth
Citi



Amy Lo
Co-Head Wealth Management, Asia Pacific
UBS Global Wealth Management



Anurag Mahesh
Vice Chairman, Wealth Management, APAC
Deutsche Bank



Jimmy Lee Kong Eng
Member of the Executive Board & Head Asia Pacific
Julius Bär



Evonne Tan
Head of Barclays Private Bank Singapore
Barclays



Siew Meng Tan
Regional Head of HSBC Global, Private Banking, Asia Pacific
HSBC



Mun Yew Chew
Managing Director, Head, Private Wealth
United Overseas Bank (UOB)

Register now at: wealthmanagementasia.live.ft.com

PATEK PHILIPPE
GENEVE
BEGIN YOUR OWN TRADITION



ONLY HUMAN
A STORY ABOUT SKILL

"At Patek Philippe, it can take years to train our skilled specialists. It is one of the reasons we do not make more watches than we produce today.

We are not magicians. At our family-owned company, everything we do relies on the skills and creativity of our people. Very human skills which cannot be rushed or replaced.

Only humans can accept the challenge to always be at the edge of what is possible."

THIERRY STERN
PRESIDENT, PATEK PHILIPPE

PATEK PHILIPPE SEAL
PATEK.COM/PHILOSOPHIES

VIEW THE FILM